European

**DC-10s** 

may fly

By John Wicks in Zurich and Lynton McLain in London

THE REVISED maintenance plans which may lead to a resumption of DC-10 flights in

Europe were agreed yesterday in Zurich by Europe's main civil aviation authorities. Some flights

Representatives of the autho-

rities said after the meeting of

the European Civil Aviation Conference: "There is now no

reason why European DC-10 air-

craft should stay grounded."

The officials intend to advise

their governments and national

airworthiness Boards that new

airworthiness certificates be

with our own investigations

until we have enough evidence to make our own decisions on

European airlines, however

technical base for the restora

tion of the airworthiness certi-

Before flights of European

registered DC-10s can resume,

the national civil aviation

authorities have to approve the

changes in the maintenance pro-

cedures and this could take up

The Civil Aviation Authority

said it would await the return

of its officials before making

a statement. The authority has

to a week in some cases.

DC-10s

the matter."

the go-shead."

Last night the Swiss Federal

could start again today.

today



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GENERAL

# UK in boat people initiative

a further message to Dr. Kurt Waldheim, UN Secretary-General, calling for an international conference to resolve the increasingly desperate plight of the Vietnamese "boat people."

Foreign Secretary Lord Carrington is to visit Hong Kong and Malaysia for talks on the boat people at the end of the Tokyo Economic Summit next

The Commons was told that Mrs. Thatcher had also sent a message to the Malaysian Premier, Datuk Hussein Onn, who said yesterday that measures to prevent a further influx of boat people did not include shooting them. Page 6; Parliament, Page 12

#### Scott a crook says judge

Former male model Norman Scott was a crook, said Mr. Justice Cantley, summing up at the Jeremy Thorpe trial at the Old Bailey. "He is a fraud. He is a sponger. He is a whiner. He is a parasite. But, of course, he could still be telling the truth. It is a question of belief."
Thorpe, former

Liberal leader, and three other men have pleaded not guilty to conspiring to murder Scott.

#### Shadow posts

The Opposition's senior front bench appointments were completed with the announcement of five shadow spokesmen-Neil Kinnock (education and science), Bruce Millan (Scotland), Dame Judith Hart (overseas aid), Alec Jones (Wales) and Brynmor John (Northern Ireland). Page 12

#### Khomeini plan

Ayatollah Khomeini is pressing ahead with the draft constitution for Iran drawn up by his aides despite the considerable criticism the proposals have drawn protests from minority leaders and Tehran intellectuals.

#### **Corfu drownings**

A 52-year-old Welwyn woman and her three-year-old granddaughter drowned when their pedal boat capsized off Corfu. The child's mother, Susan Sherwas on holiday to recover from the deaths of her husband, father and sister in the past six raise world sales. Page 8

#### Unity agreement

Syrian and Iraqi' leaders appeared to have reached the two countries after three days of talks in Baghdad. Page 6

#### **Troops in Beirut**

Lebanese regular troops took up positions in two suburbs of Beirut which have been closed to them for four years. More than 1,000 troops were involved in the operation, carried out with help from Syrian troops of the Arab deterrent force.

#### Over the wall

In a classic jailbreak, cellmates David Walker and Frank Melling escaped from Walton Jail, Liverpool by sawing through their bars with a hacksaw and using a rope made from sheets and an improvised grappling hook to reach the yard and to scale the outside wall. Both men are from the Midlands.

Sir Peter Venables, one of the creators of the Open University, died at his home in Birmingham

Henry Moore, 80-year-old sculptor, is to give works worth £2m to the city of Leeds where he was at art college.

Treas. 13 pc 1997 ...£1001 + 1 Treas. 12 pc 1983 A... £977 + 1 Berisford (S. & W.) 200 + 10

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Fisons 261 + 7
Furness Withy 293 + 6

GEC ..... 367 + 5

Heron Motor ........ 47 + 5½ Highland Elect. ..... 66 + 8 House of Fraser ..... 198 + 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

# BUSINESS **Equities**

# up 4.4; **Nickel** price falls

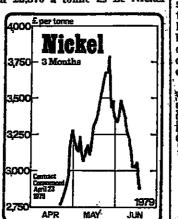
lthough there was little envine investment demand, genome investment demand, and the FT Ordinary share index closed 4.4 up at 482.9. Renewed U.S. and Continental buying pushed the Gold Mines index up 7.2 to 186.2.

• GILTS rallied in light trading and the Government Securities Index rose 0.26 to

• STERLING fell 3 points to close at \$2,1062, and its tradeweighted index improved to 68.3 (68.2). Dollar was unchanged at 86.4.

• GOLD fell \$2 an ounce to close at \$278} in London and in New York the Comex June settlement price was \$278.10 (5279.80).

• NICKEL fell with threemonth nickel down £180 to close



confirmed that it was carries its world prices.

down at 839.40 in active

● MANY U.S. banks cut their prime rates by ‡ per cent to 11½, but the First National Bank of Chicago said it was holding its rate at 11%.

CONTINENTAL Illinois Properties Board has decided to accept a \$30 per share offer from Bouverie Properties, the National Coal Board's pension fund subsidiary, and Bouverie is to go ahead with its \$144m (£72m) bid for the U.S. company. Continental's bankers said the offer was fair.

 BRITISH Aluminium is more than doubling its production of aerospace alloys in the coming man, aged 22, who was rescued, year, in an attempt to establish dominant position in the European aerospace market and

> OMINISTERS are studying a plan to relieve the Port of London Authority of the financial drain of its loss-making upper docks and boost dockland redevelopment. Back Page

• BRITISH RAIL services in South Wales were severely disrupted after a train crew ignored service cuts introduced last week by management to save fuel. Crews walked out when the men were charged with breach of discipline. Page 11

#### COMPANIES

 HAMBROS produced an attributable profit for the year ended March 31, 1979, of £7.12m compared with £4.99m previously. Stated earnings per share are 33.64p against 23.55p. Page 28

• DAWSON International, the UK textile manufacturer, improved taxable profits from £15.53 to £16.26m for the year ended March 31, 1979. The company is raising its dividend by 270 per cent to 7p net. Page 20

• OLIVETTI, the Italian electronics and office equipment group, said parent company John, Said part company sales rose 53 per cent between January and May to L316bn (£185m). At group level, revenue was up 27 per cent at L640bn (£376m). Page 25

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FALLS

Bertam Cons. ..... 193 - 7

# Arms limit treaty signed 'to defend the right to live'

BY JUREK MARTIN, PAUL LENDVAI AND DAVID SATTER, IN VIENNA

PRESIDENT Leonid Brezhnev and President Jimmy Carter yesterday formally signed the second Soviet-American strategic arms limitation agreement in the historic Hofburg Palace in Vienna, cementing their pact with a Russian bear hug and

Both heads of state, in their brief speeches, portrayed the SALT II treaty as a step in the direction of greater control over nuclear weapons.

Mr. Brezhnev, speaking gruffly but clearly, said that, in signing the treaty. "We are helping to defend the most sacred right of every man—the right to live."

Mr. Carter, with an eye on the
critical forthcoming debate over
ratification of SALT II in the U.S. Senate, said that he would never do anything to violate his responsibility for American security. But he added: "Here today, as we set very careful limits on our power, we draw boundaries around our fears of one another. As we begin to ensure our future."

It was the Soviet President who appeared to initiate the embrace of his American gesture and certainly the first issued after the two leaders had f its kind in public from him left Vienna for home, and subse-



SEALED WITH A KISS: Mr. Brezhnev and Mr. Carter after the signing.

during the four-day summit.

Again, Mr. Brezhnev some-times looked tired and confused during the formal ceremonies, and was obliged to summon an control our fears, we can better aide for a whispered translation of Mr. Carter's speech, presumably because he could not make out the official version blaring over the loudspeaker.

The rather bland communique

quent briefings by U.S. officials, seemed to indicate that the summit had, as planned, been devoid of surprise-though, it was emphasised here, no less valuable because of that. While the two leaders did manage to put the seal on the

SALT agreement, there was no suggestion that other political Continued on Back Page

Details, Page 4

# Major reforms proposed

BY ELINOR GOODMAN, LOBBY STAFF

by transforming them into perpublished yesterday by the

The proposals were welcomed Pressure for reform has been last night by backbench MPs on growing in Westminster for The proposals were welcomed both sides of the House and seem likely to be approved in some form when they are debated on Monday. This would mean that the existing line-up of select committees dealing with particular subjects, such expenditure, would replaced by the autumn with 12 new permanent committees continuously monitoring the work of individual Whitehall depart-

ments. The new committees would have their own small staffs of civil servants and would, in theory, have much more many backbenchers who insist authority than the existing that some change must be made select committees. Whether this if Whitehall is to be stopped

SWEEPING proposals to reform would be the case in practice from railroading MPs. Some Parliamentary select committees depends largely on the attitude of both Ministers and MPs, who manent watchdogs over White- in the past have tended to hall and the Executive with regard jobs on select committees their own full-time staff were as far less tempting than even the most junior of front bench

> some time. It came to a head last summer when the procedures committee, which in-cluded MPs like Mr. Enoch Powell who had previously resisted the idea of such fundamental changes, produced a report recommending a complete overhaul of the existing compulsory powers would be system of backbench scrutiny.
>
> Mr. Michael Foot, former co-operating with the new Leader of the House, was committees it will be able to hostile to some of the proposed changes, so it has been left to the Tories to take them up. They have the goodwill of many backbenchers who insist

amendments may, however, be put down to the precise wording the Government's motion, which would still vest consider able powers in the party whips.

The Government has basically

accepted all the procedure committee's main recommendations, but disagrees about the powers of the new committees

The procedure committee wanted the new permanent watchdogs to have the power to compel Ministers to appear before them. The Covernment has taken the view that such set a precedent which will make it difficult for subsequent administrations to withhold information. Some back-benchers are likely to be disappointed with this aspect of the Government motion.

# No underwriter for Hanson issue

HANSON TRUST has decided to make a £17m rights issue without the safety net of a merchant bank prepared to buy in any shares not taken up by shareholders. To ensure the success of the Issue without such a guarantee shareholders are being offered a "bargain basement price."

The company announced esterday that it would be offering one new share for every two held at a price of 50p compared with a closing price of 168p—up 1p—in the market N. M. Rothschild, Hanson's merchant bankers, has not been asked to underwrite the issue.

Mr. Martin Taylor, one of Hanson's directors, said that the company wished to avoid testing the present volatility of the market by issuing new shares at a price closer to the market

At the same time it saved itself at least £300,000 in underwriting fees, he said.

He was confident that the issue would be fully subscribed. Last time Hanson made a rights issue in July 1975, it employed the same technique. Then it raised £8.6m by issuing shares at par (25p) when the market price was 141p.

Mr. James Joll, a director of Bothshild

Rothschild, confirmed that the company had discussed the issue with the bank. He agreed that in today's volatile market a con-ventional issue close to the market price could have resulted in a low level of subscriptions and a sizeable lump of shares left with the underwriters. The alternative was to offer a bargain basement price to sharebolders "who were, after all, the owners of the company." Mr. Joll denied that there was any excess demand on the

underwriting capacity of the Chy, "either in real or nominal terms." Hanson had been under pressure to "go it alone." Resterday's announcement of the rights issue coincided with interim profit figures for the six months to March of £12.5m (£11.4m) pre-tax.

The interim dividend is to be raised by 10 per cent to 3.3275p net but shareholders who take up their rights are promised a 50 per cent increase in the full dividend for the current year conserved with last pared with last. e rights issue is clearly

made with a view to er acquisitions. Accordto Mr. Taylor the group material cash resources," but it needed the "capacity to make acquisitions" without cutting the internal development Lex Back Page Results Page 20

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Lombard: where Britain lags behind,

by A. Kaletsky

Survey: Finland ANNUAL STATEMENTS INTERIM STATEMENT

PARIS

#### Saudis 'to raise output'

output temporarily by imbarrels a day from July 1, reports the Middle East Economic Survey. But Iran's output is said to have fallen below its normal level by a

similar amount, according to the London Oil Reports. Both reports appear a week before the Organisation of Petroleum Exporting Countries is due to meet in Geneva. Details, Back

# Check on oil deals sought

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT IN LUXEMBOURG

transactions, in an attempt to European Commission, curb the growth of speculative lished yesterday. trading. The scheme would cover not only the spot market, but also crude deliveries between oil companies within the EEC and with third countries.

Air Office rescinded, with im-mediate effect, its grounding order on DC-10s registered in The proposal was agreed upon in outline by EEC energy ministers here yesterday. It is expected to be formalised by leaders of Common Market But the U.S. Federal Aviation Authority, which grounded the aircraft nearly two weeks ago. governments at their meeting in Strasbourg at the end of this said its position was unchanged. Mr. Quentin Taylor, deputy administrator of the FAA, said to Zurich: "We will continue

But both Britain and Germany are insisting that to be effective the plan must be put into effect on a world-wide basis. They have said that they will give it their final approval only if the U.S. and Japan agree in Tokyo to associate themselves with it.

were optimistic last night that DC-10 flights would resume this There was little support among ministers yesterday for French proposals to set firm British Caledonian Airways also welcomed the move by the limits on the EEC's global im-Zurich conference. "We plan ports of crude and to prohibit to resume DC-10 services as imports of oil purchased on the spot market at excessively high soon as possible after the UK Civil Aviation Authority gives prices.

President d'Estaing is expected to conmaintenance review board of the conference agreed to the revised "comprehensive tinue to press at the Strasbourg-meeting for agreement on a broader programme of energy measures which the EEC could inspection and maintenance programme for European DC-10s" after proposals were drafted by Swissair, Alitalia and British Caledonian Airways. present to its major partners in Tokyo next week.

A number of other govern-This provided the acceptable

ments believe that the French prepesals firm limits would be difficult to administer diversion of badiy needed oil from the EEC to other parts of the world. They argue that Strasb consumption should be cut by week. reducing demand, not supply. cularly sentitive to suggestions that curbs he placed on the spot-market because it supplies about a third of Germany's test of

a duty flien to consult the Afriworthiness Requirements Board | needs. which has the power to veto France has proposed such £ in New York restrictions in an attempt to answer arguments by the oil a relaxation If the beard accepts a recommendation from the CAA that airworthiness certificates should be restored, the move would apply to all UK registered high prices which their crude is fetching on the spot market justify the imposition of special

premiums on their exports.

THE EEC plans to propose at But other EEC countries connext week's western economic tend that these prices are not summit in Tokyo that oil com-panies be required to register officially all their international out by new information by the

> This shows that the prices paid by consumers in the EEC have risen by 22 per cent since the end of last year. If the increase had been in line with the rise in spot market prices over the same period, it would have been 86 per cent.

> Final details of the planned EEC monitoring system have yet to be worked out. But it is expected to require oil companies to register with governments all transactions over a certain size, giving data about quantities and prices. It has not yet been decided whether the information will be made

Governments would also seek to dissuade oil companies from making spot-purchases or sales at prices substantially above those charged officially by producer countries.

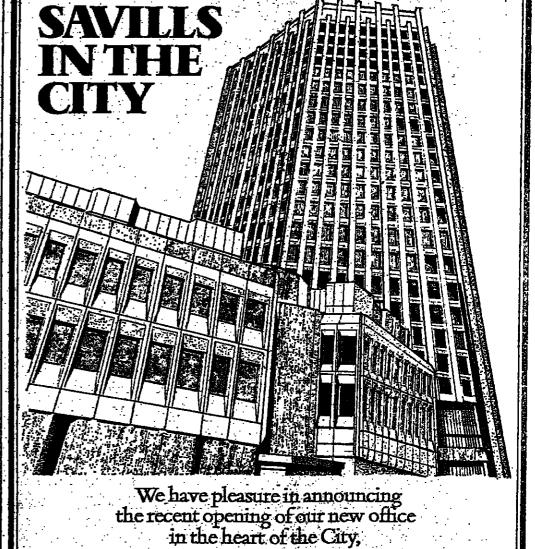
#### North Sea

Mr. David Howell, Britain's Energy Secretary, said that the ministers had made definite progress solidarity in their approach to the Tokyo summit and were in a better position to embark on a dialogue with producer countries, if this were to materialise. But he appeared unenthusiastic about suggestions that the UK should offer its EEC partners assurances of access to speculation that Britain may be

● EEC Finance Ministers yes Germany, represented by terday agreed to throw squarely Count Otto Lambsdorff, its into the lap of the heads of Economics Minister, is parti- Government the thorough demands of British and Italian demands for a fairer distribution of the EEG economic resources.

faced with such requests at the

Strasbourg summit later this



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# Ecevit in danger of overthrow

Turkey's Social Democratic Prime Minister, appears to have lost his majority in the ruling National Assembly.

He is in danger of being overthrown by the Right-wing opposition parties.

.Apart from the protracted government crisis which could ensue, there might also be delays before Turkey is in a position to sign the stand-by arrangement with the International Menotery Fund aggreed. tional Monetary Fund. agreed in principle. last week.

Last month, members of the Organisation for Economic Cooperation and Development agreed on an emergency package of £453m, while Western Mr. Ecevit—whose prestige is lost its majority in the banks are arranging a credit at a low ebb—is threatened with Assembly."

ECEVIT. of about £200m. Disbursement a vote of no confidence at a semocratic of both depends on Turkey time of acute economic crisis reaching an agreement with the and social tension in his

Mr. Ali Riza Septioglu, a Minister of State in Mr. Ecevit's 17 - month - old Government, resigned yesterday, and minutes later joined the main opposition Justice Party (JP) of Mr. Sulcyman Demiral, the former.

porting the Government, in less than a month. Recently, five This agreement is necessary deputies defected from the. Western States, banks and deputies defected from the Islamic Institutions pledged credits totalling £40m from the Islamic Development Bank this year. Mr. Ziya Muezzinoglu, Turkish ing his loss in the 450-member Assembly.

country arising from political violence between right- and

left-wing groups.
Last week, Mr. Ecevit-who sent the Turkish Army to Cyprus in 1974—reached an agreement in principle with the IMF for a standby loan. The agreement, concluded after a 43

Mr. Demitel, the main opposi-

Other resignations, both from tion leader, yesterday claimed terday, after talks with the Ecevit Cabinet and party, that with the resignation of Mr. Ahmad Mohammad Ali,

opposition had 223, member undecided.

The right-wing leader has tabled a censure motion against Mr. Tuncay Mataraci, Minister of Customs and Monopolies, for alleged misuse of authority. This may be accepted on the

sure from the Fund, opened the way for an economic rescue operation. predominant opinion

Minister of Finance, said yes-terday, after talks with Mr. bank's president.

bank's president. The second £20m would be-Half the sum has already come dispersible after board



Prime Minister Bulent Eccvit

board of directors and is dispersible. Mr. Muezzmogiu said that of this sum, £5m would go Bank of Turkey

# Dutch workers protest against public spending cuts

THOUSANDS OF workers for public authority workers has against a number of Governthroughout Dutch industry are said time taken off work will be expected to down tools today to take part in a nationwide protest agains Government plans for public spending cuts.

A mass demonstration has been called in Utrecht by the Socialist-Catholic FNV trade union federation. It has advised members who cannot make the journey to the city to hold local protest meetings.

Private employers responded with a threat to withhold pay from anyone who takes part in the protest. The Interior affected. Ministry, which is responsible

deducted from holiday entitle-

Mr. Hans Wiegel, the Interior are due to take effect.

Minister and Deputy Prime The weasures are d Minister has also ordered a minimum number of worker to

Local authority workers in Amsterdam. The Hague and Rotterdam are expected to the spending curbs announced last year. working. This means that public services will be halted. Many

"Better go Gulf Air...

ment measures which have become known as the "July 1 package" from the date they

The measures are due to be debated in Parliament tomorrow and on Thursday. They are stay on duty so that Government intended to back up the three-

the rate of increase of public passed off peacefully in the authority workers' salaries and past two years, but public transport and refuse collection authority workers' salaries and of social security benefits. It also plans to drop the index year against the proposed limits ffected. linking of higher salaries — on their members' salaries. The union is protesting those above FI 55,000 (£12,700). which are linked to those of

The unions and the Left-wing industry-political parties have criticised The sa the measures as hitting the weakest members of society the hardest.

The unions also want to limit price compensation for high wage earners, but object to the way the Government's proposals ments already negotiated.

The annual wage round

The salaries have been singled out for curbs after it was found they had been allowed to rise too fast.

Public service workers are prevented by law from striking, although Parliament is considering a change in the legislation. Significantly, a judge accepted the right of railway workers to strike in a judgment delivered

last Friday. He banned a token strike planned for yesterday by the transport unions, but did so on the grounds that negotiating procedures had not been

#### Soviet bid to step up output of fast reactor

By Leslie Colitt in Berlin

TOP Soviet science official says his country is developing a design of fast-breeder nuclear reactor with a "doubling time" of under six years.

This means that it will take less than six years to "breed" enough plutonium fuel to start

another reactor.

The president of the Soviet
Academy of Sciences, Mr.
Anatoli Alexandrov, claims the U.S. has "mistakenly" chosen to develop fast-breeder reactors that would take 15-20 years to double their plutonium inventory. This rate will not meet America's energy needs, he claims, which will require a doubling

"in under 10 years." Mr. Alexandrov alleges that President Jimmy Carter recently forebade the con-struction of the Clinch River prototype fast-breeder reactor not in order to "prevent the spread of nuclear weapons" but hecause the design's rate of production of plutonium was "unsatisfactory."

In an article for a leading Communist Party journal pub-lished in Czechoslovakia, the Soviet scientist says that, without nuclear energy, countries such as the U.S., West Germany and Japan would "quickly lose their economic

importance. le charges that reports by the Western Press about the Three Mile Island nuclear accident in the U.S. in March "strongly exaggerated the basically insignificant un-

pleasant results." He called this a continuation of the protest campaign against nuclear energy in the West in which the masses frequently do not realise it reflects the line followed by

the oil monopolies." By 1990, he says, nuclear power thon, were expected to be clari-stations in the European part filed later in the evening. of the Soviet Union will pro- However, the earliest reports

electricity output. He discloses that nuclear district heating plants are being built in the "middle of residential complexes" in the cities of Gorki and Voronezh which "meet all safety re quirements." Over the nex 10 years, he writes, severs hundred such nuclear heating plants are to be built.

David Fisblock adds: Countri ontside the East Bloc have placed higher priority in recent years on the safe engineering of the fast reactor than on the "doubling time." Doubling time has little in-fluence on the economics of the reactor, but is primarily of importance when the rate of electricity growth is high.

The Russiaus are chairmen of a committee of the U.S.-International tion which is studying the fast reactor. It is understood that U.S. representatives on this committee have recently been very critical.

#### Luxembourg awaits PM

M. PIERRE WERNER, leader Luxembourg's Social emerged as the strongest in the country's June 10 general election, is expected to be named Prime Ministerdesignate today, writes our Luxembourg correspondent.

This follows talks which M. Jean Dupong, the former Education Minister, held with the three main parties.

coalition between M. Werner's Social Christians and the Democratic Party of the former Premier, M. Gaston Thorn, seems most likely to succeed the Democratic-Socialist coalition.

# Israeli settlements

THE Foreign Ministers of the They also emphasised that a nine EEC countries yesterday just and lasting peace must take issued a declaration strongly account of the legitimate rights issued a declaration strongly critical of Israel's policy on the Palestinian question and on Jewish settlements on the West

Bank of the Jordan.
The declaration, adopted after a political co-operation meeting here, said the Nine considered that several Israeli Government policies were obstacles to the search for a peace settlement.

The Ministers emphasised, in

particular, that Israel's claim to sovereignty over occupied territories was incompatible with the UN Security Council's Resolution 242, which stated that the acquisition of territories by force was inadmissible. The declaration also accused Israel of contravening international law by its policy of promoting Jewish settlements in

occupied territories. Repeating earlier statements by the Nine on the Middle East crisis, the Ministers again called on Israel to withdraw from territories which it had occupied since the six-day war in 1967.

policy criticised by EEC ministers

of the Palestinians, including their right to a homeland. The decalaration also expressed the Nine's strong support for the independence and territorial integrity of Lebanon, and deplored all acts which pre-vented the Lebanese Govern-

ment from exercising its authority over the entire country, notably, its southern regions. On the subject of Vietnames refugees, the Nine supported the urgent correction of an UN auspices. The Ministers agreed that they would also make a diplomatic approach to the Vietnamese Government.

to the refugee problem. They emphasised that the acceptance of refugees, restricted to only a few countries, should be more fairly spread throughout the inter-

with a view to finding a solution

#### France presses demands for 2-3% farm price rise

FRANCE PRESSED demands this year's price review con-EEC farm products as Community Farm Ministers began talks in Luxembourg yesterday. The ministers threw out all

their officials and assessed each other's starting negotiating posi-tion behind closed doors. These positions, including their reaction to the British demand for a new "green pound" devalua-

duce about one-third of total indicated wide gaps between member states on most major issues, and widespread hostility to the British request, particularly from France. This hos-tility centres not so much on the devaluation itself but to its being expressed at the same time as Britain is pushing for a price freeze.

> M. Perre Mehaignerie, the French Agriculture Minister, was reported to have said that there could be no devaluation for Britain outside the context of an overall settlement. The biggest single problem in cil's discussions."

for a 2-3 per cent increase on all cerus the Community's dairy surplus. The Commission has proposed a tax of about 5 per cent on milk incomes in an attempt to curb production, Each member state objects to a dif-ferent part of the proposed tax scheme, each for largely nationalist reasons, and not one state appears ready to accept the tax in its proposed form.

However, discussions this week may become so entangled on the issue of the general price level that there is already talk that the milk package may have to be set aside until the autumn. The Commission has estimated that failure to impose a tax of about 5 per cent in 1979-80 will add around 800m European units of account (just over £500m) to the EEC budget for that year.

Mr. Peter Walker, the new British Minister of Agriculture. said on his arrival in Luxembourg that he was looking forward to the price review and intended "to play a constructive and positive part in the coun-

### Danish tax package ready

BY HILARY BARNES IN COPENHAGEN

AFTER MORE than a week of and a reduction of about Kr 2bn Nuclear Fuel Cycle Evalua- negotiations the Social Demo- in day on economic stabilisation

> about Kr 4bn (£350m); reductions of about Kr 4bn in the

projected cratic-Liberal coalition appeared expenditure. The Kr 10bn packto be close to agreement yester-day on economic stabilisation of 1978 gross domestic product. The measures are intended to

prevent a runaway increase in The main ingredients are public spending, rising at a real expected to be: energy taxes, rate of about 5.5 per cent this including increased taxes on year, and to prevent a serious petrol, heating oil and elec-deterioration in the balance of tricity, amounting to a total of payments deficit. Without these probably rise from an expected projected expenditure of local Kr 10bn this year to around authorities in the coming year; Kr 14bn in 1980.

# W. German spies jailed By JONATHAN CARR IN BONN

ONE OF the most serious Lutze, aged 38, and his wife, espionage cases in NATO his-Renate, aged 39, of treason, and

Defence Minister-has ended in heavy sentences by a Duesseldorf court. In its verdict yesterday, the

tory—an affair which forced the sentenced them to 12 years' and resignation last year of Herr six years' imprisonment respectively.

The couple and their accom plices were found guilty of betraying nearly 4,000 pages of documents from the Defence Ministry to East Germany. court convicted Herr Lothar

# Honecker, Nkomo in aid talks

BY OUR BERLIN CORRESPONDENT MR. JOSHUA NKOMO, co- Nkomo thanked the country's

the East Germans increasingly line states. in southern Africa to carry out

Soviet policy, as Moscow does not want to be seen as a direct participant in the struggle. East Germany is expected to grant Mr. Nkomo's request for more aid as Herr Erich Honecker, East Germany's President and party leader, sent a message to him and his copresident, Mr. Robert Mugabe, last week, assuring them of East Germany's "unconditional soli-

darity.'

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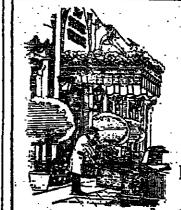
president of the Patriotic Front "workers and soldiers" for guerrillas fighting against the their "ties of solidarity," before Muzorewa Government in Zim- going on to a meeting with

The East Germans are refus-ing to divulge the nature of the military assistance they are pro-viding, but it is thought to have been mainly regular army training. East Germany has a military clause in its recently signed friendship treaty with Mozambique. That country's

Germans may become more active on that front as well. babwe Rhodesia, is in East Ger-Herr Honecker. The two men Some Communist diplomats many for talks on increased aid, last conferred in February in East Germany compare the including military supplies.

The Soviet Union is deploying German leader to the front-engagement with the role country's ambitious new African engagement with the role Czechoslovakia played for the Soviet Union in the 1950s and 1960s when it was leading supplier of Warsaw Pact arms in various parts of the globe. The task proved to be too much of a burden for the Czechoslovak economy and was brought to a sudden end under Mr. Dubcek in 1967.

led to speculation that the East



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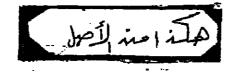
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full length movies and audio entertainment, all with the compliments of Gulf Air. Mr. Nkomo's first talks in East Berlin were with General Heinz Hoffmann, the Defence Minister, who is also a member of the Politburo. Gen. Hoffmann headed a large East German military delegation to the front-line African states last month and disclosed that East German disclosed that East German military delegation to the front-line African states last month and disclosed that East German military delegation to the front-line African states and disclosed that East German military delegation with the first description of the first delegation of the fir Better go many was providing "military aid for the just struggle of the African peoples."

At a meeting in the East German Defence Ministry, Mr. ABU DHABI AMMAN AMSTERDAM BAGHDAD BAHRAIN BANGKOK BEIRUT BOMBAY CAIRO DHAHRAN DOHA DUBAI HONG KONG JEDDAH KARACHI KUWAIT LARNACA LONDON MUSCAT PARIS RASAL KHAIMAH SALALAH SHARJAH TEHERAN



#### **EUROPEAN NEWS**

# Swiss prices up but inflation level still low

BY JOHN WICKS IN ZURICH

ALTHOUGH THE Swiss cost of most sectors of the economy living has been accelerating due to the weakening of the since last autumn, the country is still not faced with an inflation problem. This is claimed in the latest quarterly report of Switzerland's Commission for Economic Studies, which indirates that retail and wholesale prices will initially continue to rise rather faster but should slow down again towards the and of the year.

Last month, the national infla-

ion rate was the highest for over three years—but still was only 2.8 per cent annually. The higher inflation rates, says the Commission, are not a result of the rapid increase in noney supply in recent months 34.8 per cent. With a 2.3 per

out rather of the comparison with the very low 1978 per-entages. These in turn were rought about by the appreciation of the exchange rate and he consequent drop in Swiss ranc import prices. The Com-nission points to the marked mprovement of business for last year.

per cent last month, to 10,557-

exchange rate.

Government figures show that unemployment dropped by 5.3 or 0.4 per cent of the total work-force—but was still 12.7 per cent higher than a year earlier. There were 8 per cent more situations vacant offered by labour exchanges than in May 1978, however.

At the same time, exports were up by 8.3 per cent and imports by 13.8 per cent last month in an annual comparison. Import prices were down by an average of 15.5 per cent, while actual import volume

cent increase in the average export value, the real increase in exports was only 5.6 per cent. In the first five months of 1979, the Swiss trade gap totalled SwFr 1.49bn (£416m), or over double the SwFr 714.1m booked for the similar period

#### Faster growth forecast for Nordic economies

BY WILLIAM DULLFORCE IN STOCKHOLM

THE ECONOMIES of the fordic countries will grow aster than those of most other ECD countries this year and ext, after three years in which heir performance has been nuch weaker than the OECD verage. But the profile for 980 points to a further fall in

This forecast is contained in Nordic Economic Outlook," he analysis produced jointly very six months by the federaions of industries in Denmark, inland, Norway and Sweden. heir experts predict a 4 per ent GDP growth for the area nis year, tapering off to 3.75 er cent in 1980.

The sluggish domestic deand of the past few years in rice they have paid for giving freeze is operating in Norway. riority to their current account nbalances. The combined curin prices to 7-8 per cent this
int account deficit was reduced
om \$9.6bn in 1977 to \$3.9bn accelerate in Denmark and

The federations, however, expect the deficit to accelerate again this year to \$5bn. Norway's rising oil income is estimated to cut its deficit to \$200m

in 1980, outweighing further rises in the Swedish and Danish

corernt account deficits. Private investment in the Nordic area is expected to experience a minor upswing after falling to a very low level over the past few years. Denmark the only country to show some growth last year, should have a further increase this year, while growing optimism in Finnish and Swedish business will, it is hoped, result in a decisive rise four Nordic countries curbed their inflation rates last

year, but prospects for 1979 and 1980 vary. A wages and price Finland expects to keep the rise

#### Mitterrand faces new leadership challenge

By David White in Paris

FRENCH Socialist Party's lower than expected score in the European elec-tion has provided the pretext for a fresh and sharpened internal conflict. The latest row between M. Francois Mitterrand and his two powerful opponents in the party. M. Michel Rocard and M. Pierre Mauroy, is seen as the launching of an open succes-sion battle for the leadership and for the Socialists' presi dential nomination in 1981. The conflict has been

smouldering since M. Mitterrand's setback at the party congress in Metz in April, when he received the backing of only 47 per cent for his policy resolution. Things flared up at the sekend, when the manage-

ment committee met for a European election post-mortem. M. Mauroy, mayor of Lille and head of one of the party's most powerful regional federations, criticised both the party's organisation and its platform for the election, when the Socialists lost part of their advantage over the Communists in the bal-ance of the French Left. His reproaches prompted M. Mitterand to call a national

convention for next Sunday. but both M. Mauroy and M. Rocard, who is M. Mitterrand's main rival for the leadership, said they and their supporters would boycott it because it was called too hastily.

An opinion poll at the

weekend showed M. Nitter-rand slightly ahead of M. Rocard in a dry-run presiden-tial election. According to the poll, President Valery Giscard d'Estaing would beat M. Mitterrand with 53 per cent of the vote, and Rocard with 55 per cent.

#### Venice rejects split

THE voters of Venice rejected by three to one at the weekend proposals to split the city and the Mestre industrial zone on the mainland into two separate administrative units, writes Rupert Cornwell in Rome. Although the referendum was technically only consultative, the regional authorities indicated that they would accept a convincing demand for a split.

# German politicians' banking role criticised

the country's Landesbanks seem (FDP).

The report also recommends

The report criticises by name time its former executive chair- and administrative tasks.

The politicians include Herr Friedrich Halstenberg, treasurer of Chancellor Helmut Schmidt's Social Democrat Party (SPD), and Herr Burkhard Hirsch,

POLITICAL embarrassment for leading members of West Germany's ruling parties and a member of the SPD's coalition renewed debate on the role of the Free Democrats of the state of may well set a precedent for three weeks after the administrative council (including State the State Prosecutor's office well representatives) had re-elected before Herr Poullain's representatives had re-elected before Herr Poullain's representatives had re-elected before Herr Poullain's representatives.

notably blunt provincial Parlia- replacement of some of the mentary report.

Ministers on West LB's administrative council by non-Cabinet politicians involved in the super-vision of the Westdeutsche Landesbank (West LB) at the between the State's supervisory

> investigating committee of the the State Parliament It is felt likely that most of

February, 1978, to examine the circumstances in which Herr Poullain left the West LB, and the extent to which State representatives played their proper part in supervision of the bank's affairs.

The Sate is involved because the West LB acts, among other things, as the central promp bank of North Rhine-West-point." man, Herr Lindwig Poullain, stepped down, amid sharp public controversy.

The report was released in bank of North Rhine-West-buesseldorf, the State capital, phalia. Government members, by a nine-member, all-party therefore, have six places on therefore, have six places on bank's administrative

council Herr Poullain announced on its recommendations will be December 23, 1977, that he was followed—and that action here resigning as chairman — only

him for a further five years. In January, 1978, Herr Poulthe bank with effect from

Last month, Herr Poullain be was charged by a Bielefeld State his prosecutor with fraud and colleague. breach of trust-which he promptly denied "in every

December 23.

have been wrongful dismissal. North-Rhine-Westphalia,

before Herr Poullain's reelection on December 2, 1977.

But it says he neither took lain was summarily dismissed by energetic measures to prevent the re-election, nor to see if the prosecutor's proceedings could be speeded up, nor to inform Economics

Herr Hirsch is said by the report to have taken part in oint." only one of 16 meetings of the He has also been taking legal bank's credit committee. He steps against what he feels to explained this primarily by

pressure of other tasks. The investigating committee's It could not be excluded that report finds that Herr Halsten- the Minister had harmed the It could not be excluded that bank by this attitude, the report

# Urenco undeterred by nuclear slowdown

BY CHARLES BATCHELOR IN ALMELO

enriched uranium is cooled and

lobby in the Netherlands.

customer.

ment plant at Almelo in the in operation in the early 1980s. 0.7 per cent naturally, is in-Netherlands was once listed in Almelo consists of two pilot creased to about 3 per cent. The Netherlands was once listed in the local trade directory under "spin-dryers and washing machines." The confusion arose because the Dutch part of the Anglo-German-Dutch venture is Ultra-Centrifuge Nederland (UCN)—and centrifuge has

both meanings. Any uncertainty remaining over the purpose of the plant, three miles from the centre of the small town of Almelo, was dispelled in March last year. More than 30,000 demonstrators surrounded the wire fencing and broke a few windows in protest against a plan to enrich uranium for Brazil. After lengthy and heated debates in the Dutch parliament, where many MPs were worried that the uranium could ultimately be used to make nuclear weapons, the deal has gone ahead. But the whole episode

sequences for Urenco. Britain the Netherlands and West Germany agreed to pool their research and development activities into the enrichment of uranium and signed the Almelo treaty" in March 1970. network of interlocking companies was set up involving

has not been without its con-

enrichment plants

THE URENCO uranium enrich from Almelo, is expected to be occurs in concentrations of man partner, Uranit. plants of 25 tonnes capacity each and a 200-tonnes demonstration plant. This has shown that the technology developed in the pilot plant is applicable on a larger scale, but it is not large enough to cover the costs of its operations,

Work has now started on the first stage of a commercial plant which will ultimately have 1,000 tonnes capacity. The beauty of the centrifuge process, as against the gas diffusion method used in the U.S. and France, is that it is economic to add small units of extra capacity. This means a large financial commitment can be avoided in an uncertain market.

At first, only 400 tonnes capacity will be built around a central core housing the essential ancillary equipment. Later, units of 200 tonnes can be added as the need arises. Although this plant is designed for capacity of 1,000 tonnes, the technology is advancing so rapidly that 1,300 tonnes may be squeezed into the same

With the exception of the marketing department, which is both government and private in the U.K. Almelo is a fully industry capital. The headquarters and joint its own laboratory where much sales organisation. Urenco, is of the technology has been based in Marlow in the UK developed and its own factory while research goes on in all to produce the centrifuge units three countries. The two which are at the heart of the process, currently in operation are at Maarten Bogaardt, technical Almelo and Capenhurst in the director of UCN. By this method, the fissile

Royal Dutch Shell group, the chemicals concern DSM, Philips, the shipbuilder Rijn-Schelde-Verolme, and the engineering group VME-Stork against partici- commercial criteria were pating in a planned capital rise. applied, Mr. van Hasselt says. according to Dr. When this goes through, the Dutch state will hold nearly 99 per cent of UCN. However, a number of German concerns

The controversy over the project has had two consequences for the Urenco group. The Gerit any more difficult for us to carry on our work. Since man utilities, which are large Parliament has to approve the export licences, we are under the politicians' control anyway."

of UCN and a former Shell

complete state control will not

customers, pressed for the setting up of a plant in Germany A group of Christian Demodocuments between 1972-75, cratic MPs is calling for a meeting with the Dutch Foreign Minister to discuss was begun in October and is still continuing. reports that secrets stolen in

The MPs are particularly concerned that secret service the Netherlands could give screening procedures may not Pakistan the capacity to make be tight enough and that nuclear weapons, writes Charles Batchelor. An investi-Holland's position as an opponent of the spread of gation into claims that a Pakistani metallurgist, who nuclear weapons may have worked in Urenco, stole been damaged.

piped back into small containers manager, the move to almost which are returned to the complete state control will not

—at Gronau—beyond the control of the strong anti-nuclear world's four enrichment suppliers, only two are attempting It also persuaded the five to operate on a commercial basis. The U.S. Department of Dutch companies who together own 45 per cent of UCN that political considerations would Energy, which operates more than 60 per cent of the world weigh more heavily than comenrichment capacity of 30,000 mercial ones. This decided the tonnes, quotes unrealistically low prices which barely cover its

about five per cent-when its tonnes is completed-to com-

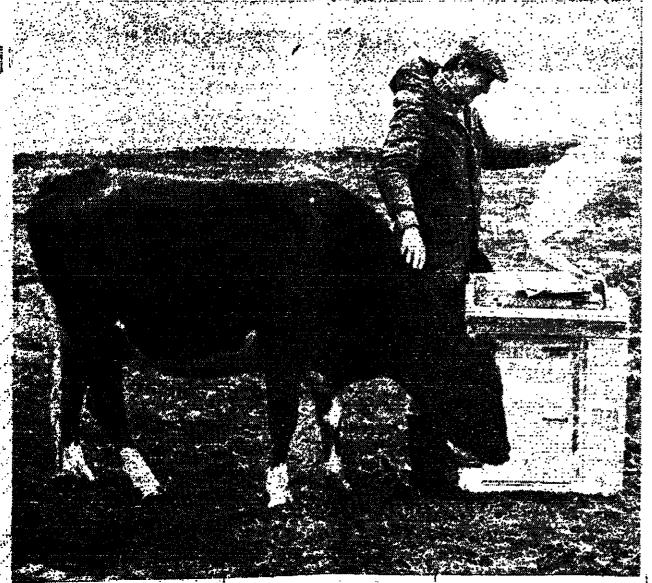
change UCN's commercial pete on a commercial basis.
character. "This won't make Although Urenco's prices Although Urenco's prices are higher than those of the U.S. or the USSR-a recent contract was reportedly signed for \$100 a kilo—it claims to offer a better service. Some customers have become concerned at the U.S. Department of Energy's high-handed tactics and have switched contracts to either Urenco or Eurodif.

Urenco now has orders for 27,000 tonnes of enrichment work worth Fl 6bn (£1.36bn) which will keep its plants in the UK, the Netherlands and soon West Germany, busy until 1995. Sixty per cent of the work is for German customers, 30 per cent for those in the UK and ten per cent for Brazil.

Ironically, its only customer Urenco claims that, of the in the Netherlands is the small experimental nuclear power station at Dodewaard near Nijmegen. The Nether-land's only commercial nuclear power station at Borssele, with 450MW capacity, obtains its enriched uranium requirements from the U.S.

Although the length parliaenergy costs. The U.S. price mentary delays have meant UCN of \$86 per kg should be at least is having to expand rapidly to 50 per cent higher if normal fulfil its contracts, uranium enwere richment capacity in the world is at present double the annual The Soviet Union, with demand of 15,000 tonnes. around seven per cent of world Demand is forecast to grow to capacity, deliberately sets its 45,000-50,000 tonnes by 1990

# Gronau, just over the border uranium 235 isotope, which remain shareholders in the Ger- U.S. level. This leaves the capacity. BP Nutrition's good feed guide. Compiled by Data General computer.



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to manufacture a given ration. Another advantage: customers can lock-into' the system from terminals located in their

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own offices.

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Scicon – a member of the BP Group of Companies. Terry Smith, BP Nutrition's Computer Services Manager says: "The Eclipse system enables us to give more than a least cost solution. We now give a fully informative service with all the information customers could wish for. And faster too! Now we're looking at other ways to use Eclipse flexibility. For example, specialised programs to predict milk yields and diets to optimise pig growth."

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THE BASIC elements of the SALT II agreement, which is designed to run until the end of 1985, have been known for some time. The main items

#### Weapons

An initial limit of 2,400 strategic futclear weapons on both sides, declining to 2,250 by the end of 1981. This would require the Soviet Union to dismantle 250 to 300 weapon

#### Warheads

Various sub-limits on MIRV (Multiple Independent Reentry Vehicles—that is, those with multiple warheads which can be separately targeted)with an overall ceiling of 1,320 units. This breaks down into a sub-limit of 820 for MIRVed Intercontinental Ballistic Missiles (ICBMs) and 1,200 for ICBMs plus MIRVed submarine launched ballistic missiles. The total of 1.320 is reached by adding longrange bombers carrying Cruise missiles (pilotless, lowflying subsonic drone air-

#### Missiles

Neither side may introduce more than one type of inter-continental ballistic missile during the life of the treaty.

#### **Monitoring**

The understanding that each other's deployment of mis-siles. This has been one of the principal sticking points in the past year, particularly since the loss of the U.S. monitoring bases in Iran, and may still be a problem in the U.S. Senate debate.

#### Cruise

An accompanying protocol, lasting until 1981, barring deployment of ground and sea-launched Cruise missiles with a range of more than 375 miles, and limiting the deployment of mobile missile

#### Bomber

backfire bomber, which is back not referred to in the treaty exploit the United Nations for itself. In the letter, the corroboration of the Egyptian-Soviet Union agrees not to Israeli separate deal." increase production beyond

sides reaffirmed their deep conviction that special importance should be attached to the problems of the probl conventional arms: The two sides reaffirmed their deep problems of the prevention of nuclear war and to curbing the competition in strategic arms. Both sides recognised that nuclear war would be a disaster for all manind. Each stated that it is not striving and will not strive for military superiority, since that can only result in dangerous instability, generat-ing higher levels of armaments with no benefit to the security of either side.

(The communique outlined the following key areas.) President Brezhnev confirmed and signed the treaty between the U.S. and the USSR on the limitation of strategic offensive arms, the protocol thereto, the

Limitations of nuclear and efforts for many years to con-applying comprehensive inter-sides and the implementation of clude a new treaty has been both sides; to begin the process of reductions it requires the reduction of existing nuclear arms; to begin to limit the threat represented by the qualitative arms race it also places substantial constraints on the modernisation of strategic offensive systems and the development of new ones

President Carter and President Brezhnev discussed questions relating to the SALT 3 negotiations, and in this connection expressed the firm intention of the sides to act in SALT: In the course of the accordance with the joint statemeeting President Carter and ment of principles and basic guidelines for subsequent negotiations on the limitation of strategic arms.

treaty: It was noted that there joint statement of principles and has been definite progress at national safeguards under the basic guidelines for subsequent the negotiations, in which the International Atomic Energy negotiations on the limitation UK is also participating, on an Agency and pledged to continue negotiations on the limitation UK is also participating, on an of strategic arms and the document entitled Agreed States sively banning test explosions safeguards. ments and Common Understanding Regarding the Treaty
between the U.S. and USSR on
the Limitation of Strategic intention of the U.S. and the USSR to work, with the UK. to At the same time, the sides complete preparation of this

they want to continue working towards a more stable and constructive foundation for relations between them, and to this end they will need to expand areas of co-operation.

The two leaders also felt that the Vienna summit confirmed the Usenna summit confirmed the further of users and reducing the danger of nuclear war.

Both sides expressed their deep satisfaction with the protectings would be held on a regular basis in future.

The two leaders also felt that the user of the users of the negotiations of the users of the users

round of negotiating of himtering conventional arms transfers.

Chemical weapons: The two sides reaffirmed the importance of a general, complete and verifiable prohibition of chemical weapons and agreed to intensify their companies and agreed to intensify.

their efforts to prepare an agreed joint proposal for pre-sentation to the Committee on Disarmament Radiological weapons: President Carter and President

#### **Protocols to the Treaty**

of 379 miles on sea-based

launchers or on land-based

lannchers. Each party under-

takes not to flight test cruise

missiles capable of a range

in excess of 600 kms which

are equipped with multiple independently targetable

launchers or from land-based launchers. For the purpose of this protocol cruise missiles

are unmanned, self-propelled, guided, weapon - delivery

vehicles which sustain flight

through the use of aero-dynamic lift over most of

warheads from

THE U.S. and the USSR. hereinafter referred to as the parties, having agreed on strategic limitations on offensive arms in the treaty, have agreed on additional limitations for the period during which this protocol remains in force, as follows:

Each party undertakes not to deploy mobile Intercon-tinental Ballistic Missile (ICBM) launchers or to flight test ICBMs from such launchers. Article 2:

Each party undertakes not to deploy cruise missiles capable of a range in excess

Both sides further committed

themselves to close co-opera-

tion, with other countries, to

ensure a successful conclusion

to the Non-Proliferation Treaty Review Conference in 1980, and

their flight path and which are flight tested from or deployed on sea; based or associated measures in central Europe would be a major contribution to security and stability.

ASAT: It was also agreed to continue searching actively for mutually acceptable agreement in the negotiations on anti-satellite systems.

Conventional arms transfers: The two sides agreed that their

and ground-launched cruise missiles respectively.

land-based launches, that is sea-launched cruise missiles

Each party undertakes not to flight test or deploy ASBMS (Air to Surface Ballistic Missiles). Article 4:

This protocol shall be con-sidered an integral part of the treaty. It shall enter into force on the day of the entry into force of the treaty and shall remain in force through December 31, 1981, unless replaced earlier by an agreement on further measures limiting strategic offensive

Brezhnev confirmed bilateral agreements on major elements of the treaty banning the development, production. stockpiling and use of radiological weapons has been reached. An agreed joint proposal will be presented to the Committee on Disarmament this

Indian Ocean: The two sides

In the communique both the again stressed the great signifi- treaty as soon as possible.

U.S. and the Soviet Union say they want to continue working towards a more stable and continue working foundation for all states which respective representatives will agreed that their respective representatives will agreed the respective representatives will agreed the repres tion of the talks on questions concerning arms limitation measures in the Indian Ocean International issues: There was a broad exchange of views on major international issues. The two sides expressed their support for the process of international detente.

Preident Carter and President Breshinev devoted particular attention to situations of tension which complicated the international situation and interfered with positive develop-ments in other areas.

The sides noted with satisfaction the positive developments which have taken place in recent years with respect to the situation on the European con-tinent. They underscored the significance of the Final Act of the Conference on Security and Co-operation in Europe. The two sides agreed that continu-ation of the CSCE process is important to promote security and co-operation in Europe. They called attention to the need for full implementation of all the provisions of the Helsinki Final Act

Each side reaffirmed its interest in a just, comprehensive and lasting peace in the Middle East and set forth its position on ways and means of resolving the Middle East

There was an exchange of views concerning developments in Africa. They noted some normalisation of the situation in certain areas of that con-tinent, and the efforts of the

indicated their respective views regarding the situation in

southern Africa. The sides recognised the importance to world peace of peace and stability in Asia. They agreed that the independent dence, sovereignty and territorial integrity of all nations in the area must be fully respected. They also indicated their respective views regarding the situation in southeast Asia.

Soviet Backfire statement: On June 16, 1979, President Brezhnev handed President Carter the following written statement: "The Soviet side in-forms the U.S. side that the Soviet TU-22M airplane, called Backfire in the U.S., is a medium-range bomber and that it does not intend to give this airplane the capability of operating at inter-continental distances. In this connection. the Soviet side states that it will not increase the radius of action of this airplane in such a way as to enable it to strike targets on the territory of the U.S. Nor does in intend to give it such a capability in any other manner. including by indight refuelling. At the same time the Soviet side states that it will not increase the production rate of this airplane as compared to the

present rate." President Brezhnev firmed that the Soviet Backfire production rate would not

exceed 30 per year. President Carter stated that the SALT 2 agreement on the basis of the commitments conindependent states of Africa tained in the Soviet statement towards co-operation, economic and that it considers the carrydevelopment and peaceful rela- ing out of these commitments tions and the positive role in to be essential to the obliga-this respect of the Organisation tions assumed under the treaty

# Vienna may lead to side will be able to verify the other's deployment of missiles. This has been one of the other one of the o

make it easier to resolve future Leonid Zamyatin, the spokesman, and Soviet press been reporting have been unexpectedly derisory when

ment, Soviet officials said the general atmosphere of the talks had been positive. Tass, the Soviet news agency agree to the use of United Nations forces in support of the A side letter covers the Soviet saying: "The USSR will not proposals intended to

The Tass report, which was the present estimated rate of carried in Soviet morning news-

PRESIDENT CARTER and Soviet role in the creation of President Brezhnev got along the "arc of crisis" along the well together, which might Soviet Union's southern border was "idle invention," and that differences. Soviet officials said it was surprising that the U.S. Although the remarks of Mr. saw fit to designate an area far Leonid Zamyatin, the Soviet from the U.S. as "a sphere of vital interests of the U.S."

The Tass report also ridiculed U.S. concern about the referring to areas of disagree-Soviet arms build-up in Europe, as Mr. Zamyatin had at the Press conference. But the discussion of areas of conflict had been "important to an underreported a Soviet refusal to standing of the realities of the contemporary world," Soviet officials said privately.

The Soviet official said the meeting was positive because a whole range of disarmament including non-proliferation and forces reduction. Each side, at the highest level, had the opportunity to explain its policies, 30 a year, and to refrain from papers, also reported the and Mr. Carter and Mr. Brezh-giving it the capability of remark, attributed to Mr. Brezh-nev had succeeded in establishnev that U.S. concern over a ing a personal relationship.



ALL SMILES . . . Carter and Brezhnev before the signing.

# Senate opponents start new public attacks on treaty

BY DAVID BUCHAN IN WASHINGTON

tive Republican warning against what he called the wide-spread misapprehension that its would reduce nuclear arma-

Only minor reductions would be required on missile launchers, while stocks of nuclear warheads would be restrained, he told a Capitol Hill press conference yesterday. Another Republican Rightwinger. Senator Jesse Helms. called on the Carter Administration not to mislead the Senate over SALT II as it had done in the debate over the Panama Canal treaties.

Senator Helms also urged the Democratic leadership of the Senate to allow the televising of the final floor debate on ratifica-

SENATE OPPONENTS of the tion of the SALT II treaty, but said this should equally new Salt-II treaty stepped up because until those debates apply to those who cry that if their public attacks on it only begin, the Administration and the treaty fails, America runs hours after the Vienna signing tits supporters will have a virtual the risk of being seen as a hypoceremony yesterday, with monopoly on the presentation of Senator Jake Garn, a Conserva i their viewpoint."

> chairman of the board of International Rusiness Machines is expected to be nominated soon by President Carter as the next U.S. Ambassador to the Soviet Union, it is reported. This appointment will be taken as a sign that the U.S. wants to push trade long urged an expansion of U.S.-Soviet trade.

Mr. Thomas Watson, former

The North Carolina Conservative promised to play fair and restrain himself in the forthcoming Senate debate—where a two-thirds majority (67 votes) is needed to ratify the treaty-

critical nation, with peace on its lips and war in its heart." Meanwhile, Dr. Henry Kissin-

ger, the former Secretary of State whose eventual verdict on SALT II is expected to sway a number of middle-of-the-road Senators at present doubtful or ignorant about the new treaty, said yesterday he would with--hold judgment until Administration officials testified before Senate to start in the second week of July.

Dr. Kissinger said the critics of SALT II must show that the U.S. would be better off without the agreement, while the Carter Administration had to demonstrate that the accord would not weaken the U.S. nuclear ability.

#### **AMERICAN NEWS**

# Britons evacuated from Nicaragua

BY HUGH O'SHAUGHNESSY

AS FIGHTING continues to rage the Sandinistas appear to have provisional government. The between the National Guard and won a number of tactical and Sandinistas have named a five-tries to deal evenhandedly with Sandinista guerrillas in many diplomatic points over the weektowns in Nicaragua, some dozen end. Britons have been evacuated to Panama in a U.S. Air Force air- day the rebels captured the lift. In a desotatch from Mana- Acosasco fortress of the lift. In a desptatch from Managua, the Paris daily, Le Monde, said an unmarked aircraft and personnel who had worked for the U.S. airline, Air America, a company whose name had been linked with the CIA during dinistas are reported to be the Vietnam war, had been making great efforts to advance sighted at Managua airport. north from their strongholds

BY STEWART FLEMING IN NEW YORK

investment in the U.S., Mr.

Frank Well, Assistant Secretary

of Commerce for Industry and

Trade at the U.S. Department of

Commerce, told a Financial Times conference in New York

Mr. Weil said that official policy was neutrality towards inward investment, because the

U.S. did not want to get into a bidding contest for foreign

investment by competing with other nations in offering sub-

He suggested that it was a

mistake for individual States to

compete with each other by

offering inducements to foreign investors, since this only

reduced the aggregate benefit of

new investments. Congress had

looked askance at such competi-

tion before and would do so

But he added that for a

Government was moving to-

number of reasons the Federal policy, he said.

again if it was carried to excess,

Inducements

he said.

Sandinista guerrillas in many diplomatic points over the week-

After heavy fighting on Sun-National Guard in Leon, the country's second city, burned it. They now appear to be in practical control there.

At the same time the San-Although the outcome of the near the southern border with

Foreign investment welcomed

THE FEDERAL Government is adopting an increasingly positive attitude towards foreign foreign investment than had nation against foreign investors

traditionally been the case.

Among the factors influencing

Government policy was the benefit to the value of the dollar

through the balance of pay-ments effects of foreign direct

Mr. Weil pointed out, too,

that for the first time in perhaps 20 or 30 years the U.S. is in a position where it can benfit

from foreign know-how and the introuction of foreign capital

To illustrate the point, he

cited the case of the Japanese

electronics concern Sony, which, partly because of its manage-

ment techniques, has been able

to improve its productivity at its

U.S. plants in comparison with

some of its competitors, even

in contributing to U.S. produc-

tivity at a time when the U.S.

has an alleged capital shortage and a serious productivity prob-

lem were other factors influenc-

ing the Federal Government's

The impact of foreign capital

using American workers.

and management techniques.

by Commerce Department

which will seek national recognition and help. Further evidence of waning

international support for the Somoza Government came when Ecuador announced it was breaking off diplomatic relations on Sunday. Ecuador has the Brazilian Foreign Office followed the lead set by Mexico and Costa Rica. The Andean such a move countries as a whole, Ecuador, Despite the Peru, Bolivia, Colombia and dent Somoza Venezuela, have announced that they recognise a state of belli-

particularly in the communica

One factor clearly influencing

the Federal Government's atti-tude is the evidence that the scale of foreign investment in the U.S. in relation to the total

economy is relatively small in spite of rapid growth over the

Mr. Weil conceded, however,

that as a result of this growth

there is a growing interest in the issues raised by foreign

direct investment and the begin-

nines of a public policy debate

Earlier in the day Mr.

Edward L. Palmer, chairman of

the executive committee of

past four years.

on these issues.

centre "

Growth

each of the opposing forces. Although President Somoza has sought the intervention of the Washington-based Organisa-tion of American States on his behalf, any lingering hope that: he had of obtaining OAS mili-

Despite these reverses, President Somoza can count on the help of a number of countries and he has this month publicly thanked the Governments of

present insurrection against the Costa Rica and take the town gerency in Nicaragua. thanked the Governments of rule of President Anastasio of Rivas. This is where it is While not according formal Chile. Argentina and Uruguag Somoza continues to be in doubt.

#### FINANCIAL TIMES

World-wide Investment in the U.S.

#### CONFERENCE financial intermediary for the

balance of this century.

He said that four criteria the city fulfilled were that it should attract the most talepted managerial and professional people, should have the experise to develop a longgerm corporate strategy, must global financial centre and must be itself a major market.

Mr. Palmer said that New York had been a showcast for the problems of older cities in recent years, with manufacturing employment, for example, declining 50 per cent in the past 20 years as industry

Citicorp, the second largest U.S. shifted. bank, argued forcefully that But he said that this was not provided New York City can the first time the city's indus-endure as a viable urban trial mix had changed and that But he said that this was not which he said was a as it declined as a manufacturreasonable assumption, then it ing centre it was growing as a olicy, he said. promises to be the best site world financial and services Speaking personally, Mr. Weil for the headquarters of a global centre.

#### Venezuela to invest \$2.3bn in Orinoco oil

By Kim Fuad in Caracas VENEZUELA'S state oil monopoly, Petroleos de Venezuela has allocated some \$2.3bn up to the end of 1988 for developing the Orinoco oil belt, according to Sr. Julio Cesar Arreaza, the company's vice-president.

The company's overail capi-tal investment plans for the 10 years call for more than \$25bn to expand exploration production, refining and other activities. Sr. Arreaza said at a press conference to present the oil monopoly's 1978 annual report.

The allocation of funds for developing the Orinoco best, thought to be the western hemisphere's largest single tional heavy oil, reflects growing concern over the decline in production, potential and proven reserves in the ageing traditional fields.

These now produce nearly 2.4m barrels a day, compared with a peak production of 3.7m b/d in 1970. Potential has fallen from 4m b/d to under 2.5m b/d, while vital light-gravity crudes represent only a fifth of proven reserves, which total almost 18,200m

Sr. Arreaza's breakdown of the planned \$25bn investment, in addition to the Orinoco belt, included more than \$5.1bn for exploration, more than \$11bn for production, \$5bn for refining, and the rest for domestic supply and trans-

Sr. Arresza said exports in 1978 had declined by 1 per cent, giving an average of 1.968m b/d, while average export prices dropped by \$0.50, to \$12.04 a barrel last

#### Islanders riot MR. PATRICK JOHN, Prime

Minister of Dominica, said he would convene the Caribbean island's Parliament yesterday after a weekend of unrest and the resignation of the four Cabinet. During the weekend riots against Mr. John's rule a number of public buildings were set on fire.

# Wage guidelines hit by rubber pay deals

expected to result in increases in stantially exceeded. This was pay and benefits of more than the approach used to endorse 40 per cent for 55,000 rubber the trucking industry's settle industry workers.

made yesterday with strike-bound Uniroyal, will almost certainly be implemented by the pany. However, the industry's largest company, Goodyear Tire agreements.

Full details of the Goodrich and Univoyal agreements were have agreed to improve the due to be published late yester cost of living allowance formula day but in outline they look to May 9, is remarkable because it includes a letter from the company apologising for its public the company subsequently de-nied existed largely because of

Administration objections that it breached the guidelines.
The new settlements do not

THE CARTER Administration's may again be ready to exclude pay restraint guidelines are fac certain elements and to claim ing another major embarrass- that the guidelines' 22.5 per ment following agreements dur-ing the weekend which are three years has not been sub-

ment in April but it suggests The agreements, the first with that the guidelines are become B. F. Goodrich and the second ing less and less relevant for major negotiations now under way in the electrical goods in-dustry and for car industry Firestone Tire and Rubber Com- talks which start next month. Reports yesterday indicated that the Uniroyal settlement and Rubber, may find it difficult may be larger than the 40 per to endorse it, and this is a poten-cent or so agreed by Goodrich. tial sticking point for other Of special relevance for the auto negotiations is the fact that the companies appear to

which will now trigger rises for be resounding victories for the each 0.26 per cent increase in United Rubber Workers Union. the cost of living index instead The settlement with Uniroyal, of the 0.3 per cent which which has been on strike since previously applies and which is current agreement. Goedrich has also agreed to denials that a tentative sign a letter proclaiming a agreement was reached on neutral stance in any union April 18. The URW proclaimed organising efforts at its tyre an agreement on that day which plants in the case of Goodrich

this is of largely symbolic importance and the union's real target is a similar undertaking It breached the guidelines.

The new setlements do not tyre plant will be a new facility appear to be any more in compliance but the Administration Oklahoms this year

# Public sector jobs cut

ABOUT one-third of the 60,000 jobs the new Canadian Government hopes to trim from the public service pay-roll over three years, will be achieved through disbanding Crown corporations and returning them to the private sector, Mr. Sinclair Stevens, Treasury Board president, said yesterday, Petro-Canada, the Government's oil agency, was on the short list" of agencies to be considered for such a move. But Mr. Stevens declined to give further details.

Mr. Stevens' comments follow meetings last week with Mr Andrew Stewart president of the 180,000 member Public Service Affiance of Canada.

The Minister acknowledged union concern about how the cuts would affect English and French speaking, and male and female, employees. The Govern-ment would keep these prob-lems is mind, be added.

Mr. Stewart criticised Government's proposels. two agreed to meet again

#### **Bosworth** resigns from wage council

By Our New York Staff



**第一部中国的国际** 

Barry Bosworth feathers in the fight against inflation

ONE OF President Carter's leading and most controversial economic advisers, Mr. Barry Bosworth, is expected to leave his job as director of the Council on Wage and Price Stability

on wage and rine stability some time in August.
This would be the second anniversary of his term, which he said he had planned would not last longer than two years.
A talented academic economist. Mr. Bosworth, 36, has suffled many feathers in his attempts to alert the country to the rising dangers of inflation, and as one of the leading administrators of the President's wage and price guidelines when they were launched at the end of last

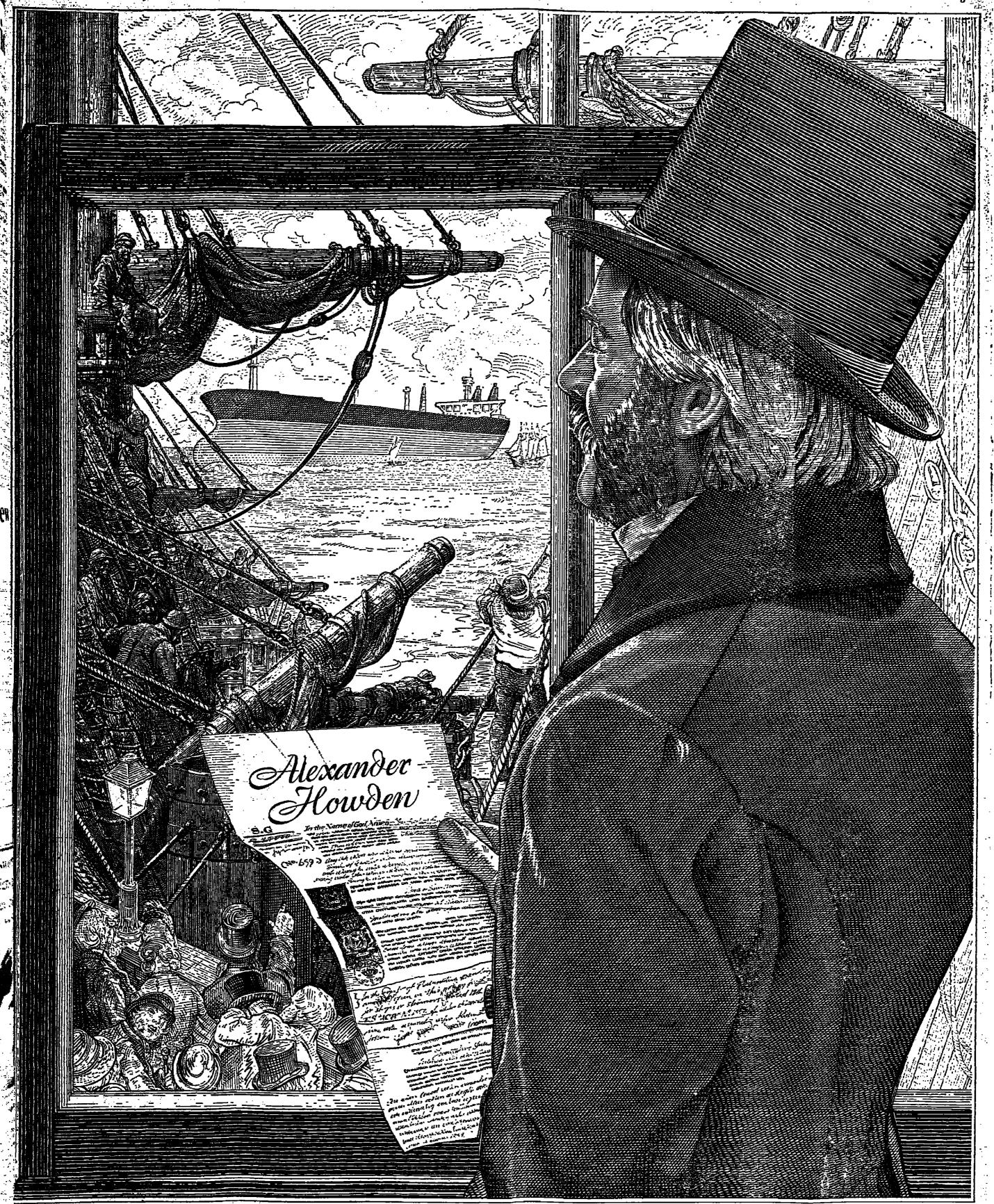
Before he departs—probably to return to academic work—Mr. Bosworth will be deeply involved in redesigning the policy for its second year which will start on October 1.

#### Charter stock sale American Financial Corporation

has terminated discussions with an undisclosed party concerning the sale of its Charter Comthe-sale of its charter Com-pany warrants and preferred stocks; AP-DJ reports from Cincinnati. American Financial owns warrants exercisable into 1,350,000 shares of Charter common and preferred convertible into an additional 1,250,000 common shares.

Financial Times Tuesday June 19 1979

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reinsurance needs of this ever changing and growing world demands a flexible approach. The Alexander Howden approach. The ability to use the practices and skills of years to provide fresh solutions. The energy to take a problem and treat it as a challenge.

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the Baath Party.

be the crucial test for any real

unity. Baghdad and Damascus

are ruled by the two wings of the Baath Party, which, follow-

Peaceful

to Ghana

By Mark Webster in Accra

GHANA'S first general election

in a decade promised to be a

peaceful affair yesterday with

soldiers confined to barracks

and politicians resting after six

Electoral officials were predicting a high turnout for

ine elections which many had

feared would not take place after the coup which toppled

the military regime of General

But Flight-Leiutenant Gerry

Rawlings, chairman of the Armed Forces Revolutionary

Council which took power, has

promised that the military will

The delay is to give the army

not interfere with the elections.

Fred Akuffo two weeks ago.

months of campaigning. Electoral officials

election

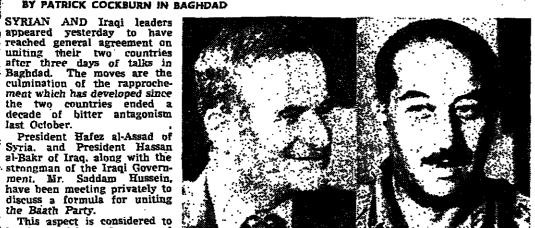
start

volved and poor communica-tions. First indications of who has won are expected on Tuesday night at the earliest. Voters have a choice between six main parties which have fielded nearly all of the 900 candidates competing for 140 Parliamentary seats. Each of the main parties has also put up a four people standing as indepen-

because of the distances in-

Voting patterns are most likely to be dictated by the personalities involved in the presidential poll and by the reputation of the parties in the parliamentary elections rather than by any identifiable cam-

Of the six main parties, three are serious contenders for the presidency: The Popular Front Party led by Mr. Victor Owusu, the People's National Party of Mr. Hillar Limann and the United National Convention of Mr. "Willie" Offori-Atta.



Syria and Iraq nearer unity

President Assad of Syria (left) and President Bakr of Iraq.

previous attempts to unite Syrian and Iraqi leaders are But previous divisions have aware that the failure of been largely overcome follow-

ing the Camp David accords ing their division in 1986, have ensure that the current moves made ferocious attacks on each other until recently. The cynicism in the Middle East. between Egypt and Israel. Syria badly needs a powerful ally to replace Egypt, while the ynicism in the Middle East. replace Egypt, while the will be stationed in Syria—a But previous divisions have Iraqis have moved away from development which will be the isolated intransigence of closely watched by diplomats.

previous years towards better relations with the more con-servative Arab states, notably Saudi Arabia.

The was exemplified by the Baghdad summit which created a common front against Egypt. The Iraqis are also increasingly by developments in Iran. The local press in Baghdad give increasingly unsympathetic treatment to Ayatollah

Whatever the cosmetic adornments in which a unity agreement is wrapped, the alliance of Syria and Iraq does create a common front on Israel's northen frontiers stretching from the Mediterranean to the

Together the states have population of 20m and field armed forces with a strength of some 400,000. There is a pos bility that Iraqi army divisions

#### Israeli pressure annoys EEC BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT DIPLOMATIC row is expected to refuse to establish

The Israeli Government has claims over Jerusalem could angered officials in Brussels by seriously damage EEC relations indicating that unless the with Arab countries. mission is set up in Jerusalem. the EEC's future emissary and his staff may be denied normal diplomatic privileges.

The Israeli foreign ministry sent a note to the Commission late last week formally authoris-ing establishment of the delegation. But it pointedly failed to answer a routine request by the Commission that its representative be accorded diplomatic

imminent over attempts by the the office if they are main-Israeli Government to press the tained. It is pointed out that European Commission into even if the Commission were to siting its planned official acquiesce, the move would be delegation to Israel in strongly opposed by many Jerusalem instead of in Tel member Government. A move to recognise Israeli

> The Commission already has delegations in Rabat, Algiers and Tunis and hopes to set up missions in Cairo and Damascus soon. The decision to establish a delegation in Israel, was taken about nine months ago and a chief representative, of Dutch nationality, has already been

David Lennon in Jerusalem adds: At present only 11 of the 38 embassies and legations in Israel are located in Jerusalem The Israeli demands are considered wholly unacceptable in Brussels, and the EEC is member Governments.

newly-elected Canadian Government plans to move its embassy from Tel Aviv to Jerusalem has apparently emboldened some people within the Israeli Government to advocate greater insistence on having missions in Jerusalem.

Mr. Elyashiv Ben-Horin, deputy Director-General of the Foreign Ministry, with special responsibilities for the EEC, declined to confirm or deny that conditions such as the denying of full diplomatic privileges may have been put to the EEC But he expected that the EEC delegation would be established in the course of this year.

Meanwhile, Mr. Moshe Dayan, Foreign Minister, said yesterday that he would make no announcement about a news paper report that South Africa was planning to move embassy from Tel Aviv

#### Lebanese army moves into Christian Beirut

More than 1,000 troops of the restructured Lebanese army were deployed in Ain el-Rummaneh and Furn el-Chebbak, two Christian quarters in the south-east of the capital, replacing Right-wing militias. The operation was carried out smoothly in co-operation with Syrian troops serving as the peace-keeping Arab deterrent

battles, involving the militia of a month ago to make way for a the Phalange party and that of new Government of national the National Liberal Party reconciliation.

the civilians. As part of this operation, Lt.-Gen. Ignatius terday took up positions in two Chamoun, left 12 dead and twice Acheompong, the former Head suburbs of Beirut which have that many people wounded. been closed to the authorities The two suburbs have been for four years.

The two suburbs have been the scene of repeated unrestsince the civil war in 1975 and were considered as a state within a state, with the Christian

militias' ruling supreme. ensure the reopening of the south-eastern section of the main Beirut-Damascus highway and make traffic between the predominantly Christian part of the capital and Moslem quarters easier.

Dr. Selim al Hecs, Prime Right-wing leaders recently Minister of the caretaker asked President Elias Sarkis to Government, said the army send the troops in after their deployment would strengthen militias fought each other for and consolidate the authority of four days with mortars, rockets the state. He submitted the and heavy machine-guns. The resignation of his Cabinet about

#### N.Z. considers further oil conservation moves

BY DAI HAYWARD IN WELLINGTON

is down to 13 days' supply. users tried to work together tion is serious.

-tying up coastal tankers. ComMr. Robert Muldoon, the mercial users of diesel and fuel

Prime Minister, expressed the oil have already had susplies belief that the diesel prices cut by 20 per cent of last year's could reach NZ\$25 (£12.75) a consumption. barrel by the end of the year.

NEW ZEALAND'S stocks of and the Government believes all diesel oil in port storage tanks countries would benefit if major According to Mr. William Birch, Supplies have also been Minister of Energy, the situa- affected by a maritime strike

Some incentives may be Mr. Muldoon called on indus-rial countries to combine to Thursday for companies switch-conserve world supplies. "If ing from oil to liquid petroleum larger users show restraint and gas. Despite the closing of petrol get consumption back into line stations from Friday until with production, this would Monday petrol consumption by help supplies," he said.

New Zealand's supply problem has been worsened because few weeks and Mr. Birch said some shipments which would the Government has been forced normally have come here have to consider petrol rationing. It been diverted to the U.S., which wanted to avoid direct rationing was prepared to pay a higher through introduction of earless

#### By Roger Matthews in Cairo THE EGYPTIAN government

resigned yesterday to clear the way for the formation of a new Cabinet that is expected to reflect the overwelming victory of President Anwar Sadat's the general election and new conditions created by the signing of the peace treaty with Mr. Sadat and Dr. Mustapha

Khalil, the Prime Minister, yesterday discussed the composi tion of the new cabinet, due to be announced later this week. -After the talks it was confirmed that Mr. Khalil would retain responsibility for Foreign Affairs in addition to being prime minister. There had been speculation that Mr. Khalil would drop the Foreign Ministry to concentrate more on the country's pressing economic problems.

Egypt's difficulties have been exacerbated by the partial Arab economic and political boycots that followed the signing of the peace treaty with Israel.

#### Malaysians 'wilk not shoot'

KUALA LUMPUR Kalaysia will take measures to prevent a furthe influx of Vietnamese refugee but these measures do include shooting them, Datu Hussein Onn, the Prime Min ter, said yesterday. He was replying to Dr. Kus Waldheim, the United Nation Secretary-General, who, in

message, had expressed alagathat the Malaysian Governmen was adopting a tougher refuge policy and intended to shoot by sight any "boat people" enter ing Malaysian waters.
"I wish to state that

measures to prevent further in-flow of the boat people do sot include shooting them," Dauk Hussein said. But he added that any that carrying Vietnamese refugees that tried to enter Malaysan waters or attempted to

#### would be towed away after it had been given help to proceed on its journey elsewhere, Reuter price. New Zealand has con-days and weekend sales bans sistently refused to pay above but this appears to be not the official world price for oil enough. Khomeini defies critics of his constitution

Iran's unofficial Head of State, not autonomy. Under a new intellectuals who want to take is defying his domestic critics structure of provincial adminisation away our Islam." "Ge rid of among liberals and ethnic tration elected councils responsified and will press ahead sible mainly for welfare affairs officers who went to see him in

The Government yesterday released for public debate the long-delayed draft. It was unlike long-delayed draft. It was unlike long-delayed draft. It was unlike last three months of moderate clergymen like Ayatollah Shariat-Madari, who who will have to be no concessions to the views of moderate clergymen like Ayatollah Shariat-Madari, who lished unofficially last Thursday. which attracted considerable Kurdish, Arab and Turkoman referendum on the constitution criticism from minority leaders districts in support of demands if a fully-fledged constituent and Tehran intellectuals.

a Press conference, Dr. than half the Iranian popula- ally, he said.

KHOMEINI, more freedom than before, but bitterly attacked "Westernised sible mainly for welfare affairs officers who went to see him in are to be set up at every level Qom on Sunday, singling out ith a draft constitution for the are to be set up at every level Islamic Republic drawn up by from village to province, with the Iranian Jurists Association his aides.

Out any distinction between for particular attention.

three minority areas, the Kurdish, Arab and Turkoman nd Tehran intellectuals. for self-rule and a geographic assembly is not set up.

Announcing the constitution ally defined autonomous region. Khomeini said such people were The Kurdish leader, Sheikh Yadollah Sahabi, Minister of Ezzedin Husseini, said yesterday State for Revolutionary Affairs, he opposed the absence of any confirmed that there was no mention of autonomy in the question of granting regional draft constitution. The Kurds

autonomy to the minority races, would try to solve the problem on, In a speech published many professional women out Government, through the said they would be given yesterday, Ayatoliah Khomeini of senior administration posts, and at special centres

Communists." Another issue over which

renewed trouble is likely is the status, but in practice the tution notes without eleboration that women will have equal together make up more through political means initistatus, but in practice the half the Iranian popula- ally, he said.

Government is already moving

has said he will boycott a

Dr. Sahabi said yesterday women would not be allowed to serve as judges, though they could hold other legal posts. All 30 of the serving women judges are reported to have been told they can no langer hear cases. A further 10 hewly qualified women judges were recently debarred from aking up their posts. up their posts, In theory the draft constitu-tion permits women to take up any Government post, including

for Parliament Over the next month the public's suggestions of the constitution are to be obliated for the attenion of a council of experts, which will ther com-plete the draft before putting it to a national references. Suggestions can be directly by letter made Government, through the Press,

that of President, and to stand

#### Sadat moves on new Cabinet

Show that development work was now going ahead on this

The Government's support for the company has been pledged following increasing evidence during the last few months of the success of the first two Airbus models, the A-300 and now started to repay loans from member shareholders, although it is expected to be several years before the aircraft breaks through into profit.

that Airbus Industrie would get logy and reducing costs of pro-

duction and operation.

• AIRCRAFT FURNISHING. company.

# U.S. fast food

The exhibition, opened yesterday by Mr. Kingman Brewster the U.S. Ambassador, and Sir Charles Forte, executive chairman of Trust House Forte, has been organised by the U.S. Government's export promotion agency in Britain.
The U.K. market for this type of equipment, estimated to be worth over £121m a year in 1977, is expected to be worth

USACATER 79, features the broilers, freezers,

#### Canada bid | CLOTHING INDUSTRY

#### UK scales down opposition Iran F-14s to outward processing By Victor Mackie in Ottawa

CANAD'S Defence Minister Allan McKinnon, said yesterday that negotiations he initiated to purchase second-hand F-14 fighter aircraft from Iran have-

The last Labour Government

Mr. McKinnon said the Iranians at first indicated they were interested in selling the top-rated American fighter air-craft to Canada but that after Prime Minister Joe Clark declared his Government's intenquotas established last year by the EEC with its Mediterranean tion to transfer the Canadian Embassy from Tel Aviv to Jerusalem the deal fell flat associates. It has insisted instead that goods imported in this way must be treated as part "We just aren't getting any answers from the other end any more," said Mr. McKinnon. "They obviously now don't want of overall quotas and not as a separate and additional category.

to do a deal with us." The Minister said he now believes he will wind up with the same two final aircraft the previous Liberal Government selected for the C\$2.3bn fighter

to buy

collapsed.

collapses

aircraft competition. He said he expects to complete his review of the fighter programme before the end of

The previous Cabinet under Trudeau, chose the Pierre McDonnell Douglas F18A and the General Dynamics F-16 for final negotiations. A decision on the winning aircraft was expected in October but will be delayed two or three weeks by the new Government's review.

Mr. McKinnon said after assuming office as Defence Minister that he was going to try to purchase 78 second-hand F-14s from Iran which he had been informed were available for C\$10m to C\$12m each. The new Government's plan to shift the Canadian Embassy in Israel to Jerusalem aroused

angry Arab reaction last week including threats of retaliation. Canadian businessmen have warned the new Cabinet that they are in danger of losing billions of dollars in trade. However, Trade Minister Robert de Cotret said yesterday he does not believe Canada will less much trade with the Arab

#### France to support new A-300 versions

THE FRENCH Government has NUCLEAR PLANT promised financial support for sortium mainly owned by the Aerospace industries of France, West Germany and the UK. The most likely contender for

development will be a fourengined, 200-seater airliner with a range of about 6,000 miles. Although a smaller aircraft has also featured in Airbus Industrie's plans, it now seems that the four-engined model is being given priority. M. Bernard Lathiere, chairman of the group, said at the Paris Air

Airbus Industrie has

In his visit to the show M. Raymond Barre, the French Prime Minister, made it clear new funds for an appropriate project but he said that the company must concentrate on serving clearly identified needs while developing new techno-

manufacturers of aircraft passenger seats, have announced the signing of new contracts most significant contracts are to supply seats for the A-300 Airbus for Malaysian Airline System and Philippine Airlines. These are the first contracts for Airbus seatin gto be awarded to a British aircraft seating

# equipment drive

FIFTY U.S. manufacturers of take away food and catering equipment are mounting an exhibition of their products in the UK in an attempt to increase U.S. penetration of the growing UK market for fast food equipment.

£283m in 1983. The exhibition, called

latest fryers, grills, ovens, machines, ice-cream machines. take-away food packaging, dishwashers, cash registers and preparation, handling and display equipment from the U.S. market. It is on at the West Centre. Hotel until Friday.

for tight restrictions covering put at a competitive disadvanticipate Britain can it the practice.

Britain has been the odd man rivals, who can average price being prepared in Bruss out in Europe, refusing to take their goods by mixing in lower that these will incorpits share of outward processing cost outward processed goods number to safeguards.

way the practice is now being adopted in the absence of EEC guidelines. At the same time the EEC Commission has been pressing tailers, (with certain exceptive UK to decide whether or not tions). It is also suggesting it wants to take up a share in that manufacturers should not quotas available for 1979, it will be allowed to outward process took this stand under strong pressure from the clothing industry which argued that outredistribute them to other coun- more than the equivalent of 30 tries if Britain declines to do per cent of their previous year's

ward processing could lead to the transfer of the industry to the Mediterranean basin. The industry was also concerned that the EEC was pressing ahead with the creation of outward processed goods should ling for the clothing industry be included within overall to be consulted on the countries quotas. They have indicated that they will fill the entire quota with non-outward processed with non-outward processed initially it believes the list goods, thus denying UK manufacturers access to their cheap Portugal and Spain with other countries being added as necesquotas before any regulations covering the practice had been drawn up.
The softer line now being advocated by the British Clothing Industry Council for Europe (CICE) is in part a bewing to

the inevitable given the extent making up facilities. count to which some EEC members. The UK clothing industry's sary.

BRITAIN'S CLOTHING industry notably West Germany and the new line-drawn up in the fac is dropping its outright opposit. Netherlands, are already using of all these pressures—is due to be discussed at a meeting export of fabric for re-import. The industry is now concerned with Government officials later as garments—but is asking the that unless it agrees to particle this week. The industry is Government to press the EEC puts UK manufacturers will be hoping that by agreeing to parfor tight restrictions covering put at a competitive disadvantic the observations. the share of regulations now being prepared in Brussels and that these will incorporate a

The suggestions of the Clothwith their own higher cost pro-ducts. It is also concerned at the ing Industry Council for Europe. are that the practice should be open only to bonafide manufacturers and should exclude importers, merchants, and resome of the leading outward processors, including Portugal, are also refusing to go along with the British insistence that outward processed people should be also real. production. Safeguards against

countries being added as neces-

# Fiat-Poland car accord ratified

BY RUPERT CORNWELL IN ROME

FIAT, ITALY'S largest private pewered Fiat-derived 125P grating its international activindustrial concern, and Poland aiready produced in Poland, ties to withstand increasingly yesterday ratified a far-reaching Production, planned at between fierce foreign competition. agreement under which the 30,000 and 50,000 units per Polish mootor industry will produce two new vehicles, in Polish market numbers of the 126 model which co-operation with the Turin- Meanwhile the heavy vehicle it already produces, according based manufacturer.

The deal, signed in Poznan by Sig. Vitorrio Ghidella, managing director of Fiat's automobile division, and Mr. Edward Pietrzak, his opposite number at Pol-Mot, the Polish industry's foreign trade body, provides for the assembly of a new small cylinder car in Poland from

The new vehicle will between the bottom of the range.
126 model, and the medium

year will go for the domestic

and commercial use, jointly designed with Fiat. It will be engine manufactured in Italy.

already produced in Poland, ties to withstand increasingly At the same time the Polish industry will supply unspecified plant at Poznan will produce a to market requirements, as well new multi-purpose vehicle with as the new commercial vehicle versions for both agriculture to Fiat dealers in Europe and certain other countries.

The agreement also allows fitted either with Polish-pro- Fiat to supply the Polish duced petrol engine or diesel market with finished models not built in Poland. Production The arrangements, the value of a new family of 1600, 1800 of which is put at \$700m a year, and 2000 cc engines (to be are the cornerstone of a ten- mounted on Polish-built cars) year co-operation programme will be put in hand between between Fiat and Poland, which 1980 and 1982, as laid down in forms part of the Turin group's previous agreements between aim of rationalising and inte-

# the development of the Airbus range of aircraft manufactured by Airbus Industrie, the con-

BY DANIEL NELSON IN MANUA

become a test case for President was reserving a decision until surrounding President Carter's culing that federal it had considered an analysis order.

Carter's ruling that federal it had considered an analysis order.

agencies must analyse the of the reactor site and design westinghouse argues that environmental consequences of to be carried out by the Inter-

countries. Critics of the \$1.2bn (£585m) project are elated by President Ferdinand Marcos' weekend decision to stop work on the reactor until a two-man commission into the safety aspects has given it the all-clear.

In fact, the construction programme was jeopardised in March because of U.S. State Department besitation in approving the project and delay by the U.S. Nuclear Regulatory Commission (NRC) in approving shipment of essential comnonents.

in an earthquake zone and the in late 1977 the State Depart- problems of disposal of nuclear ment ruled that the reactor waste. But their lawyers in the export was not against U.S. U.S. are purshing a new tack,

projects in foreign national Atomic Energy Agency. The Philippine Government apparently has seen the IAEA report but the contents have not

> The NRC is considering two subsequent Westinghouse export licence applications in connection with the project. One is for the export of reactor components, and the other is for fuel, including enriched uranium for the initial core. Opponents of the scheme-which involves Export Import Bank loans to the Philippine Government of \$644m—are con-tinuing to cite the alleged danger of placing the reactor

been disclosed.

THE WESTINGHOUSE nuclear interests. But last July it that of forcing delay through plant in the Philippines may shifted its position and said it use of the legal ambiguities

withhold export approval on the entire industry, as well as for other major projects involving

by U.S. agency decisions.

#### Sweden, Norway form tanker shipping pool

BY WHITAM DULLFORCE IN STOCKHOLM

and if was the shipyard's failure open market. The other two are to obtain full payment for the laid up. vessels that contributed to its Sasebo Heavy Industries has

Five of the tankers are owned by the Salen shipping company, one by Rockum, three by Lars Kroegh and two by the Norwegian ship-owner, Halfdan Ditley-Simonsen. The pool will be known as the Scandinavian Tanker Pool (STP) and will be managed by Salen from Stock-holm with chartering operations handled from both Stockholm

TWO SWEDISH and two Nor- 11 sister ships adding up to wegian companies are forming close to 4m tons the STP is a shipping pool to operate 11 expected to be a powerful force 350,000-ton tankers. All the on the tanker market.

vessels were built at the At present nine of the vessels Kockums shippard in Malmo, are operating, one on a 12-Sweden, between 1975 and 1978, month charter and eight on the and if was the shippard's failure open market. The other two are to obtain full payment for the laid up.

being taken over by the State received orders for two 95,000dead weight ton tankers from Comet Tanker and New Caravel. both Liberian-registered owners, reports Reuter from Tokyo. Sasebo did not disclose contract prices, but said the tanker for Comet will be delivered in November, 1980, and the one for New Caravel in July, 1981. ● A total of 9,436 ocean-going vessels, arrived in Hong Kong last year, handling 25.7m tons handled from both Stockholm and Oslo.

The agreement to form the cargo represented 43.6 per cent pool was signed last week and of the cargo, compared with will come into force as soon 48.9 per cent for the previous as it has been formally year. The number of vessels approved by the Swedish Ships' calling in rose 6 per cent from Credit Guerantee Board. With 1977.

#### Growth in EEC office machines

BY MAX WILKINSON

THE EUROPEAN office equip-ing systems will grow by 27 per ment market is expected to cent a year to reach \$880m by reach nearly \$60n by 1983 1983. The largest market will according to a study recently be Germany, which already has completed by Mackintosh Con- 55,600 systems installed France. comes next with 28,000 systems sultants. and the UK third with 23,000

The study examines the mar-set in three sectors for all the The office computer market The office computer market ket in three sectors for all the The office computer market major European countries, and in Europe is expected to grow ments for the 2,000 tons per day predicts the market for word at the rate of 47 per cent a processing and automatic typy year to reach \$3.2ba by 1983: construction and commissioning

basis of environmental considerations in another country. The outcome of the argument will have ramifications for the

U.S. companies overseas. Cancellation or delay in the project could also cause a contractual tangle, with Westinghouse claiming that it is not responsible for delays in the shipment of components caused

 Westinghouse yesterday welcomed the Philippine inquiry and expressed confidence that the probe would prove the plant could be operated without undue risk to the health and safety of people living near it.

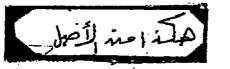
#### **Swiss winter** tourism falls to 10-year low

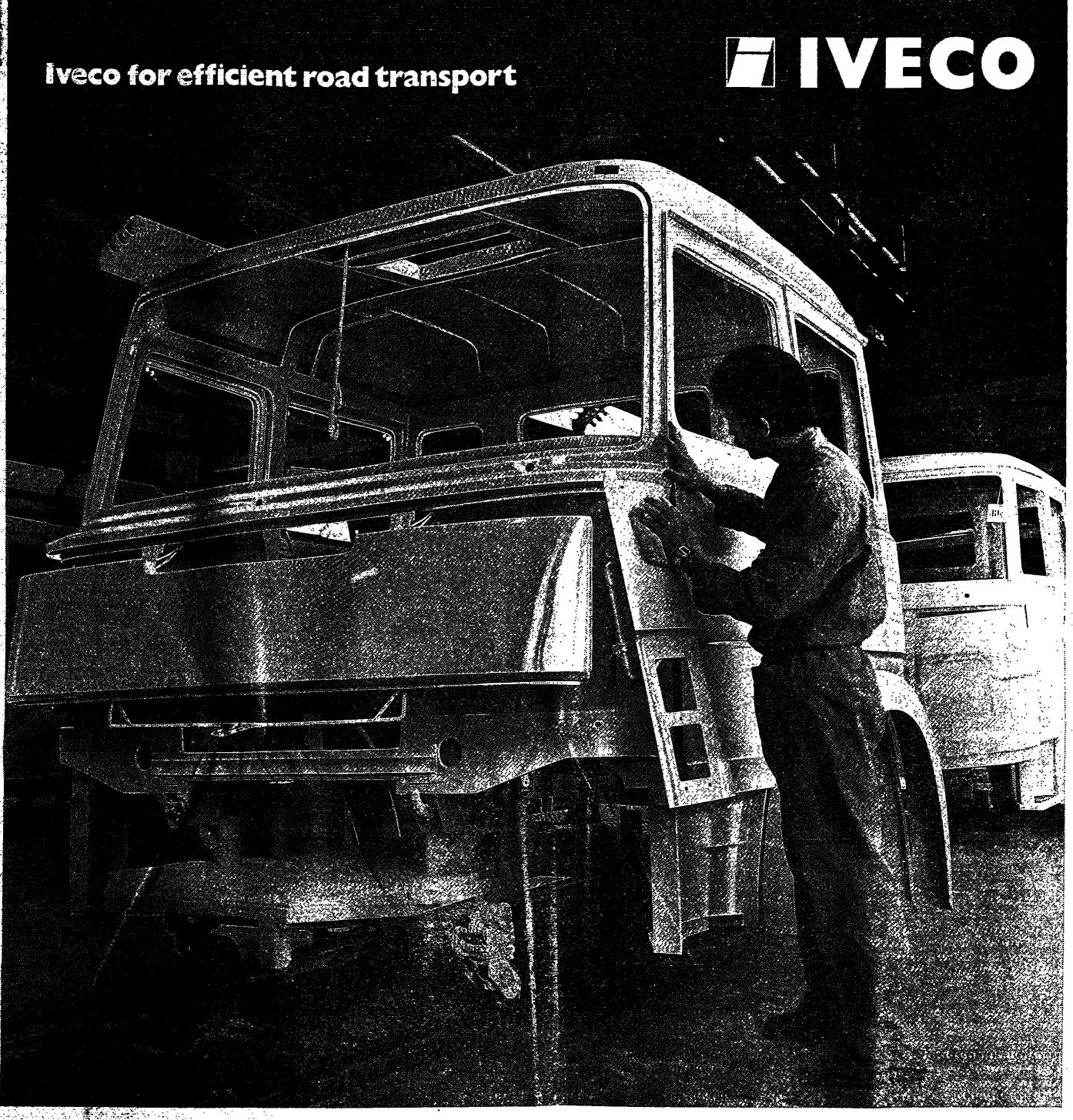
By John Wicks in Zurich THE PAST WINTER season

was the worst in 10 years for Swiss tourism. Final figures published by the Government in Berne for the period from November 1978, to last April show a 10 per cent decline in the bednight total in comparison with the 1977-78 winter season to some 12.1m. While domestically generated tourism showed a slight increase of about 0.2 per cent over the period, bednight occupancy by foreign visitors slumped by 18 per cent, in spite of a sharp rise in the number of Japanese tourists.

This development was attri buted both to the high exchange rate value of the Swiss France and to the unsatisfactory and to the unsatisfactory weather and snow condition during the past winter. While the decline in bednights was relatively small for city hotels there was a marked drop. relauvely small for City notels there was a marked drop a such winter-sports areas as th-Grisons, the Valais and the Bernese Oberland, Substantia declines were recorded in bookings by Germans—toda: Switzerland's most important tourist nationality—but also by North Americans, French tourists, Belgians and the

 Swiss consultants, Holder bank, have won a \$1.5m contraction the sixth-kiln expansion project at the Jordan Cemen Factories Company's plant a Fuhels north-west of Ammar Holderbank will carry ou asibility studies, and then pro





# Hands and Flat

It may seem strange to find that in Europe's most highly automated commercial vehicle factories, the most valued tool is the human hand.

But that's how we reconcile advanced engineering with traditional values.

At the million-odd square metre Fiat factory in Turin, opened in 1957, nearly 2000 of the 9000-strong workforce exclusively use their hands. On painstaking processes. Such as hand finishing paintwork, fitting upholstery and quality-checking chassis and cabs.

It is, of course, the volume production of components to fine engineering tolerances that frees us to invest so highly in human skill. And in the conditions which coax the best those hands can produce.

In that way we leave no room for the 'Friday afternoon' truck. When it comes to consistent quality of product, Fiat win hards down.

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Fiat Commercial Vehicles Ltd., 24 Concord Road, London W3 0TH. Telephone: 01-992 5321.

Lloyd's

may face

SEVERAL LLOYD'S under

writing syndicates, led by H. G

Chester's marine sydicate Number 65, plan to sue C. E. Heath, a major insurance broker in the market.

If the action proceeds it will

Because the action is unpre

cedented the underwriters have sought permission from the 16

Strong ruling committee of Lloyd's to-proceed.

Court moves are experted later this week, when the under

writers make an application to

amend a writ which they issued

more than a year ago agains Oceanus Mutual Underwriting

Association, Bermuda - based

It is the intention of the

underwriters to name C. E.

Heath as co-defendant in their

The dispute arises from

reinsurance package which C. E.

Heath arranged with Occanu

container group.

The claims, which have been mounting against Oceanus since.

mid-1977, have been resisted or

Earlier estimates of possible

reinsurance, but which are being resisted, were pitched of

claims which could arise agains

Oceanus under the terms

insurance concern.

action against Oceanus,

be the first time that Lloyd'

underwriters have sued Lloyd'

brokers.

broker

BY JOHN MOORE

# Government planning State shares offer

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT is drawing General Election manifesto, was up plans to expand employee share ownership by offering shares in State-owned industries

This will follow a major review of the potential for inviting private equity into State-owned businesses, such as parts of the National Enterprise Board, British Airways, the National Freight Corporation and British Sugar, as well as the nationalised aircraft and shipbuilding industries

The review is conducted by the Treasury, the Department of Industry and other Minis-tries. It is one of a number of subjects on which Sir Keith Joseph, the Industry Secretary, hopes to make key policy decisions in the next five or six weeks, before the Parlia-

The potential for selling shares to workers will then be assessed individually for each industry and company con-

The Government's interest in expanding share ownership, mooted in the Conservative

confirmed yesterday by Mr. James Prior, the Employment Secretary, when he said that the Covernment was more interested in this form of employee mai participation than in the last BP. Government's plans for "workerdirector" legislation.

"I am absolutely convinced that we must make a proportion of the shareholdings available to employees of the company, and this is a good opportunity for us to do so." he told an Industrial Society conference in

Mr. Prior confirmed that the Government would not introduce legislation on industrial democracy, although it did want to see more voluntary development of employee participation.
This confirmed that the

last Government's interest industrial democracy legislation and the worker-director proposals of the Bullock Report has been abandoned. as been abandoned. unemployment at 2m in the Mr. Prior has also talked in early 1980s. the past in terms of preparing a

code of practice on participation, though he did not mention this yesterday. supressed becau No decisions have yet been tical sensitivity.

taken on selling of State-owned assets beyond the announcement last week in the Budget that £1bn would be raised in mainly from seiling part of

One of the first announcements from the Industry Department is likely to concern the future of the merchant shipbuilding yards of British Shipbuilders, some of which face the threat of closure.

Mr. Adam Butler, a Minister of State for Industry, is shortly to visit shipyards as part of a tour of the regions conducted by all Ministers in the Depart-

 Mr. Prior admitted yester-day that there could be another "couple of hundred thousand" Speaking to a conference of the Industrial Society in Lon-don, he said he had not seen any Treasury forecasts putting

This was a reference to a newspaper report that such a Treasury projection had been

# Turnover in unlisted company shares grows under rule

TURNOVER is growing in the shares of unlisted companies man of the sub-committee and company without losing control, where dealings are done under one of the two council memory of 25 per cent of the equity and a Stock Exchange "grace and bers responsible for the

Last week, total turnover in this market, covered by Rule in its early stage. A full report 163 (2), was £3.31m. By com- originally planned for the parison, total turnover for last June was £2.5m.

About that time, the Stock Exchange decided modestly to promote the market-whereby companies can trade their shares on the market with the council's specific permission but without complying with the regulations for quoted com-panies — through a small

The following month, turn-over nearly doubled to £4.7m. Although the 163 (2) market is exceptionally volatile, over the past three months average times what it was last June.

boosted again by yet another new share placing under the is the background against which a recently appointed Stock Exchange sub-

committee is investigating the

Rule 163(2) market.

Mr. Charles Eglington, chair-Exchange's quotations department, said the investigation is full scale dealing.
in its early stage. A full report.
Originally planned for the summer, could now take longer.
The Stock Exchange is originally planned for the summer, could now take longer.

The committee's brief is to establish an orderly framework in which trading in unlisted companies can be encouraged, and to prevent false or dis-

honest dealings.
The Rule 163(2) avenue appeals because it costs significantly less than coming to market by way of quotation. It offers directors a chance of sponsor such issues.

getting a market value for their provides a marketplace for com-

agreement regulations, particu-larly on disclosure, and opens a market for companies with no visible track record.

Singer and Friedlander, a merchant bank which has specialised in such partial flotaions, believes one answer could be stronger regulations for issuing houses and brokers who

#### **Stocken joins Barclays**

volume has been about £11m MR. OLIVER STOCKEN, a services group in which Roths per week-about two and a half former head of corporate finance with the merchant bank, N. M. Next week, volume could be Rothschild and Sons, is to join Barclays Merchant Bank as a director with specific responsibility for the corporate advice

> For the past two years Mr. Stocken has been an executive director of Esperanza Trade and Transport, the international ing services.

child Investment Trust and Guinness Peat have important stakes. He is a chartered accountant, having qualified with Arthur Andersen.

The present head of corporate advice at Barclays is Mr Patrick Moorsom, who now takes over responsibiliy for international co-ordination of merchant bank-

# Midland Bank to offer mortgages

MIDLAND BANK is entering the home loans market after similar moves by Lloyds and Williams and Glyn's.

The Midland scheme, like those of the other clearers, is designed for higher income customers. Loans ranging from £20,000 up to £150,000 are offered for periods up to 25 years. Under the scheme, interest will be charged at 21 per cent over here were here. 21 per cent over base rate. At current levels this means 16; per cent—with a minimum rate of 10 per cent.

The maximum loan will normally be 2½ times the individual's salary; and the amount will be based on 30 per cent of a professional valuation of the property, or

of the cost if lower. Midland refused to say yesterday how much money it was allocating to the home loans scheme. This contrasts with the other banks: so far this year Lloyds has allocated £40m, while Williams and Glyn's has made a £10m allo-

The principal differences between the terms offered by the clearing banks are that the Midland scheme allows a repayment period of 25 years. against 20 years for the other two, while Midland's interest rate is 1 per cent lower.

#### Inflation accounting 'urgent'

By Michael Lafferty

THE NEW inflation accounting system should be implemented quickly, Mr. Donald Grant, president of the Scottish Institute of Chartered Accountants, said yesterday.

He said that the Chancellor in his Budget speech last week had issued "an invitation - if not a challenge or a veiled to the accountancy profession to co-operate with the Inland Revenue in finding a basis for making inflation-adjusted accounts suitable for

taxation.
"We have dragged our feet very badly on this issue by seeking a degree of sophistication which might please the experts but no one else, while the Inland Revenue has been waiting for us to produce something definite and practical."

# Soviet ship 'incursions' cause little damage

have mounted a big campaign in recent years against the shipping fleet, have so far suffered real damage on only one

shipping route.

This is the conclusion of an internal Department of Trade study, which was launched to sort out fact from fiction in the Russian merchant shipping

Although regarded as un-official, the report's findings undermine to some extent the position adopted on the question by Western Governments and the EEC in recent years. Last year, Britain despatched

its shipping minister to Moscow to protest over Soviet liner shipping incursions and the EEC is presently monitoring certain routes to gauge the sig-nificance of the Soviet presence. Prior to the election, Conservative politicians pro-mised a tougher line on what they regarded as a threat to

tary security of the West.
The report notes that the Russian fleet has grown sixfold since 1969, but says it is difficult to assess accurately

both the commercial and mili-

report says the Russians' fleet has a capacity of 5m deadweight which is double the maximum capacity required for the country's own cargoes.

These surplus ships are competing for business with western lines by offering cut-price rates, which western shipowners contend are based on unrealistic costs tolerated by the Soviet authorities in the interests of earning hard

#### Great alarm

The report says there is some indication that Russian success in winning liner shipping business has started to diminish. On UK services, Soviet pene-tration has remained fairly stable and on the North Germany-U.S. route, where route, where Russian ships have caused great alarm to the German authorities, the report says the Soviet share has fallen from just over

12 per cent to 9.8 per cent. Likewise, there is no suggestion of alarm about the fact that whether this increase has out- the Russians carry 20 per cent stripped the growth in Soviet of Europe-Far East trade on the Trans-Siberian Railway.

However, in terms of liner Here, the report says, the vessels (general cargo ships growth in rail traffic has merely operating on fixed routes) the matched total trade growth between recently been forced to cut some rates to match those charged by the railway.

The only route on which the Soviets can be said to have done real harm to western interests, the report concludes, is in trade between N. Europe and East

Members of the Europe-East Africa conference are said to have lost \$35m to \$40m countering rate cutting by Soviet ships on this route during 1977.

Elsewhere says the report, Soviet undercutting has "exacerbated a depressed market situation." But even on the North Atlantic route it has not done serious damage to western interests.

Future expansion of the Russian fleet will, the report says, result in reduced dependence on western vessels for bulk

On the crucial container and general cargo liner trades, the report concludes that the Russian fleet may actually decline in the years to 1981 and its impact " remain limited."

#### for the syndicates after the syndicates had insured con tainers for CFI. a New York British Aluminium to more than the grounds of non-disclosure a conclusion which Oceanu came to after investigation. double aerospace alloys output

BY ROY HODSON AND LYNTON McLAIN

BRITISH ALUMINIUM is more ducts priced at more than sion to expand heavily in than doubling its production of £2,000 a tonne) from 3,000 after materials is the first aerospace alloys in the coming tonnes a year to nearly 7,000 fruit of that review. year to seek a dominant posi- tonnes a year. tion in the booming European aerospace market, together with major growth in world sales.

Further investment in plants will now consider further and marketing backup will be capital investments in new made in the aerospace materials extrusion facilities at a British

Traditionally the North American aluminium panies have provided a large proportion of the metal needed by European aerospace companies. But the sudden surge in director who has assumed Cumberland.

FINANCIAL TÎMES REPORTER

(BNOC) have signed a £2.5m

agreement to develop large computer systems for the oil

BNOC has bought an ICL

2976 computer and operating systems which, it intends, will be set up to do work which

BNOC at present subcontracts

to a computer bureau.

The idea is that a team of ICL

Oil Corporation

com- floodtide of demand.

Rugg, the group's marketing Redditch

BNOC in £2.5m oil industry

INTERNATIONAL Computers position in this important mar-Limited (ICL) and the British ket. exploit this potential to the full, he added.

one task will be to adapt applications programmes written by consultants and independent software companies, at present designed to run on International Business Machines computers, so that the programmes will be able to run on ICL machines.

An ICL official said: "It is ex-

pected that the export potential

for the hardware and associated

One task will be to adapt ap-

computer development deal

British Aluminium has decided Since then British Aluminium tion lines for both sheet and to raise production of aircraft has been working on a new plate and expansion plans in sheet materials (high value prostrategy for growth. The decidant for its plate facilities.

about \$15m, but precise figure have not been calculated. It is likely that the company

sector to catch the present tworks for increasing output of floodtide of demand. aerospace tubes, extrusions and "We want this business to bars. Such a plant would probstay with us," said Mr. Keithe ably be sited at Warrington, or Distington in

demand by the international space according shortages of the metal.

U.S. aluminium producers are having difficulty in supplying all the metal that European aerospace now needs.

Pallowing a £3m expansion of Tube Investments and British International supplier of aerospace alloy wholly British company again sheet. Alcan's activities in the last September when Reynold British market are complementable of the U.S. sold its tary, as that company makes per cent holding for £45m to the keavier aerospace plate.

Pallowing a £3m expansion of Tube Investments and British Internations to the biggest competitor, with productions are supplied to aerospace alloy wholly British company again sheet. Alcan's activities in the last September when Reynold British market are complementable of the U.S. sold its tary, as that company makes per cent holding for £45m to the keavier aerospace plate.

Pallowing a £3m expansion of Tube Investments and British in the last September when Reynold British market are complementable of the U.S. sold its tary, as that company makes per cent holding for £45m to the last September when Reynold British market are complementable of the U.S. sold its tary, as that company makes per cent holding for £45m to the last September when Reynold British market are complementable of the U.S. sold its tary, as that company makes per cent holding for £45m to the last September when Reynold British market are complementable of the U.S. sold its tary, as that company makes the last September when Reynold British market are complementable of the U.S. sold its tary, as that company again sheet. Alcan's activities in the last September when Reynold British market are complementable of the U.S. sold its tary as that company again sheet. Alcan's activities in the last September when Reynold British market are complementable of the U.S. sold its tary as the last september when Reynold British market are complementable of the U.S. sold its tary as the last september when the last september when the last september when

The project is expected to

take about two years, during which the expenditure on soft-ware and hardware could rise to

PLESSEY Avionics and Com-

munications is planning a £2.5m expansion of its plant at West Leigh, Hampshire, with a

new factory which will employ

150 people.

The plant makes radio relay,

high frequency radio receivers, tactical and military radios, and

helicopter altimeters. It em-

between £4m and £5m.

#### Miners call for use of waste heat By John Lloyd

MINEWORKERS' leaders anthe miners' group of MPs hav called for a radical change the UK's energy policy. The call for greater use o

waste power station heat came

from Mr. Joe Gormley, president of the National Union o Mineworkers, and Mr. Lawrence Daly, the NUM's general sec Their suggestion coincided

with a meeting of the Distric Heating Association, which con cluded that 25 per cent of Britain's heating needs could be met by waste power stalion heat. About two-thirds of the energy now entering power stations is wasted at present.

The meeting asked the Government to support combined heat and power schemes. It said the introduction of such schemes "would require a re-alignment of national energy

It is estimated that heat and power schemes offer savings four times greater than those projected for solar heating.

Central Electricity Generating Board, which has examined the idea, has pointed out the high cost of providing the necessary infrastructure for

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TRADE DEVELOPMENT BANK



CREDIT LYONNAIS

April 3rd, 1979

#### programmers will gain experi-ence of systems neded in the ence of systems neded in the systems will be considerable." tactical and military oil industry so that the company will be able to improve its upon their existing contracts to ploys 1,000 people. Manchester to build £14m

world ice skating centre BY OUR NORTHERN CORRESPONDENT

A NATIONAL ice-skating centre arena, is due for redevelopment and indoor stadium costing as an exhibition centre.
£13.8m is to be built by Manchester City Council on a site agreed, Manchester will make close to the now disused Central

The project, which will be backed by a £3.5m Sports Council grant, is intended to meet the need in Britain for an international class centre comparable with those in many Continental cities. Work will start in 1981 and is expected to take two years to complete.

feel that the scheme will also agreed to arrange for major help to bring in more visitors events. including national to city centre shops, hotels and championship competitions and restaurants. The Central Station, ice galas, to be held in the close to the proposed new ice centre regularly.

the necessary land acquisitions for about £500,0000. The centre will provide two rinks of Olympic standard, one of which will be used for inter-national skating championships

and ice hockey matches.

The other rink will be devoted to training young skaters and British ice hockey players. The National Skating Associ-ation, the governing body for The Manchester authorities amateur skating events, has events, including national

Kirkby 'blockade' action

BY JOHN ELLIOTT

workers' co-operative on Mersey-side have been served with a writ simed at removing an alleged blockade of the cooperative's machinery sold to the Myson group two weeks ago.

They are Mr. Jack Spriggs and Mr. Dick Jenkins. They appear in the High Court in London this morning as a result of legal action initiated by Henry Butcher, auctioneers, aimed at recovering four spot-welding machines used to produce central heating radiators before 'sulting its solicitors to see what the co-operative went into steps could be taken to collect liquidation two months ago. its purchases.

TWO SHOP stewards who were directors of the former Kirkby \$25,000 at a public auction to Manufacturing and Engineering Myson, which produces central heating equipment. Shortly after the sale the auction was suspended after an unnamed U.S. company had expressed interest in acquiring equipment at the plant.

Myson wanted to remove the machines, but then agreed to negotiate with the American company to re-sell them. Nego-tiations started at £75,000, which in its view was the correct value of the machinery.

Laetr Myson said it was con-

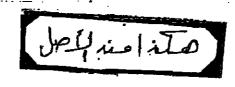


a la Ligne by Renoir which is the highlight of Sotheby's sale of Impressionist paintings on July 4. It was originally bought for FFr 180 in 1875 at the famous auction at the Hotel Drouot organised by the Impressionists to gain recogni-tion and money. Now it could make more than £500,000 for its owners, Mr. and Mrs. Nigel Broackes. On Saturday the wrong photograph, supplied by Sotheby's appeared over this caption.

• Sotheby's yesterday held an auction of some very good gold boxes and brought in £392,760 with just 6.1 per cent

unsold, writes Anthony Thoracroft. The top price was £40,000, plus the 10 per cent buyer's premium and VAT which is now an extra 1.5 per cent, for a Pierre-Nicolas Queneulle de Romesnif gold and enamel snuff box of 1763. A gold and enamel snuff box attributed to Frantz, probably Swedish of around 1755, sold for £33,000. for £33,000.

Other good prices were the £28,000 for a Swiss gold and enamel automata snuff box of around 1820; £18,000 for a gold mother of pearl and enamel snuff box of 1747; and £17,000 for a French gold cnamel and mother of pearl nide-memoire of 1748.



# -IFACITROËN CX-CAN DOTHIS ON THREE WHEELS, IMAGINE HOW SAFE IT IS ON FOUR.



automatically compensates to keep the car level.

Mig

MI

More impressive, the car could now be driven on three wheels.

The practical benefit of all this becomes apparent when considered in terms of everyday driving conditions on the road.

If you had a blow out on any wheel at high speed the self-levelling suspension would allow the CX to continue on course as if nothing had happened.

Remarkable though this may be, the outstanding engineering achievement of hydro-pneumatic suspension is the way it combines an uncommonly smooth and comfortable ride with tenacious road-holding.

An additional contribution to road-holding comes from Citroën's VariPower steering. Extremely light at low speeds, VariPower scores over other power steering systems in that it grows progressively firmer with increasing speed on the open road. It also prevents wheels being deflected by loose stones or uneven surfaces.

The combination of front wheel drive with VariPower steering adds yet further to the car's handling characteristics.

The CX offers all this on one of the most luxuriously appointed range of saloon cars on the road today. It is a spacious car with superbly designed,

cloth upholstered seats that are more comfortable than many a favourite armchair.

When you add it all up, the CX is truly remarkable.

But of course.

How else would you describe a car that can be driven on three wheels?

A selection of the 15 models in the	CXr	ange	
Model	BHP	Top Speed	Price
CX2000 Super	102	109mph	£5795.62
CX2400 Super (5 speed)	115	112mph	£6479.58
CX2500 Diesel Super (5 speed)	75	97mph	£6732.48
CX2400 Pallas (5 speed)	115	112mph	£7131.15
CX2400 Pallas (C-matic)	115	111mph	£7335.47
CX2400 Pallas Injection (C-matic)	128	112mph	£7798.92
CX2400GTiInjection (5 speed)	128	118mph	£7776.50
CX2400 Safari Estate	115	108mph	£6656.49
CX2500 Diesel Safari Estate	75	90mph	£7038.95
CX2400 Familiale	112	108mph	£6778.58
CX Prestige Injection (C-matic)	128	112mph .	£10,416.41

Prices include car tax, VAT, and inertia reel seat belts, but exclude delivery charges £83.95 (inc. VAT) and number plates. Prices correct at time of going to press. All Citroën cars have a 12 months unlimited mileage guarantee.

Check Yellow Pages for nearest dealer and ask about our Preferential Finance scheme. Please enquire about our Personal Export, H.M. Forces and Diplomatic schemes to: Citroën Cars Ltd., Mill Street, Slough SL2 5DE. Tel: Slough 23808.

of Compagnic Financière de Suez was held in Paris on May 29, 1979, and was followed by an

of the statement made by the Chairman, M. Michel Caplain at the Annual General Meeting:— the promise of

I think the most important on its way and the news I have encouraging factor is that we are to give you regarding the beginnoving towards a free economy which allows us to hope for and is on the whole satisfactory. even begin to achieve a return to fundamental stability.

It is of course not easy to abandon planning policies which have hampered growth for forty years and even in certain cases

appointed too often by shortlived promises, who might rush
to fill the vacuum by brutally
raising the price index to unacceptable levels. In fact, the
experiment appears to have been
to first

It is still too soon idea of their 1979
However, the first raising the price index to unacceptable levels. In fact, the experiment appears to have been a success and it is now generally admitted that there are here. admitted that there can be no

day circumstances are not very favourable to a return to stability but there is an area in which it has been more or less achieved against all expectation and that is the field of foreign balances, which has had the effect of stabilising the franc for

In contrast with these grounds for hope or even satisfaction, the economic situation contains several black spots, of which the two most important are the employment situation and international problems.

national problems.

The employment problem is and will unfortunately remain a cause for concern. There are three contributory factors to the present imbalance: firstly, changes in population, whereby people born during the years of high birth rate after the rear are high birth-rate after the war are starting work at a time when those born during the years of low birth-rate during the 1914 war are reliring; secondly, the increase in productivity, which in many fields necessitates cut-backs in the labour force that must be made if firms wish to remain competitive; and finally, the continued low rate of growth, which is not sufficient to compensate the effect of increasing productivity.

This situation is disturbing in both economic and political terms and painful on the social level, and obviously requires generous solutions, especially in the areas most affected. The best generous solutions, especially in the areas most affected. The hest way of mitigating this crisis, however, is not to rigidly main. Finally, there remains the stock market which is for us. as you know, of prime importance. After a particularly successful ment at any price, but to encourage flexibility and mobility of the labour force, which is the only way to match supply with demand. For the paradox of the present situation is the continued existence of a large number of unfilled vacancies, and everyone knows that it is only the difficulties in dismissing employees when necessary which prevent many small and medium-sized firms from taking on staff for whom they have enough work

on their order books.

The greatest cause for concern at present is the international situation which is all the more disquieting since there is practically nothing we can do to change it and all we can do is to endure

Political unrest, monetary dis-order, supplies of raw materials and energy sources, these are our chief fears; but the root of the matter can be summed up in one sentence: the West is afraid of an oil shortage.

I think the difficulties of this situation should not be under-estimated or exaggerated. We are not so for faced with a political phenomenon, even less with a moral phenomenon due to the return to some problematical fair price. The situation arises purely and simply from the application of the laws of a market economy by an international cartel of producing countries, and this enables us to measure both the gravity and extent of the situa-

tion.

Before the Iranian crisis, there was on the whole overproduction of oil and the OPEC countries found it difficult to defend the prices they had fixed.

A slight fall in supply was enough to bring about the present chaos. Prices will there-fore remain on the high side so long as supply is not equal to

The trend could however be reversed as soon as demand ceased to be higher than supply, thanks to energy savings or to

are two reasons for thinking that the fears generally expressed or felt are perhaps excessive. The first is that this is not a French crisis but a general one and that its consequences, notably inflation, are probably less difficult to bear and contend with when they obtain elsewhere as well they obtain elsewhere as well

as in our country.

The second reason is that the imbalance is only marginal and imbalance is only marginal and that the slightest move towards a sensible and concerted policy of energy saving or a new even limited discovery of oil would completely change the whole aspect of the problem.

The Annual General Meeting In any case, it is clear that our best chance of overcoming the difficulties of the present economic situation is to continue to Extraordinary General Meeting. follow, for the common good, the The following is a translation main lines of our policy of

In this context, which combines the promise offered by the wise we are today experiencing an economic situation in which contrasting factors giving grounds for hupe or anxiety are intermingled.

I think the most important encouraging factor is that we are moving and the news 1 hand the

In the banking sector, operat-ing conditions continue to be difficult because of the limits imposed on our activity by credit restrictions while overheads follow the general upward curve of wages. Besides, contrary to what one sometimes hears Today, however, the change of said, there is now very keen comfirmly taken, particularly with firmly taken, particularly with seems to have been seems to have seems to have seems to fields which means that every seems. the return to freedom from price controls which brings business leaders face to face with their responsibilities and gives every opportunity for success to those who can become competitive the responsibilities are constituted they are constituted to the responsibilities. opportunity for success to those who can become competitive.

It might have been feared that after forty years of controlled numbers of their customers both prices this new policy would meet with both resistance from the Administration which to re
improving the services offered.

meet with both resistance from the Administration which to retain its power might empty it of any real content, and scepticism from industrialists, discussion of the profits of their profits in 1978 and will distribute in 1979 7% and their profits 10% more respectively than in

admitted that there can be no question of reversing this policy.

It is in any case an essential requirement if our industry is to overcome the difficulties it faces and if our national seems to be picking up. Our economy is to recover its basic stability. It is true that present whose consolidated profits are on the whole improving. The market remains active in the credit field and the rate of sales seems to be picking up. Our subsidiary Compagnie La Hénin, whose consolidated profits are whose consolidated profits are considerably higher, will in-crease its own profits appreciably during the financial year 1978/

> As regards industrial investments, the position is obviously more varied in view of the diversification of our interests. We can say, however, that on the whole the present position of our industrial subsidiaries is better than the average position of French industry. This is due in my opinion to two causes. Firstly, we are not heavily in-volved in the worst affected sectors; in particular the steel industry, where we have no investments at all and only a small banking connection. Secondly, our subsidiaries have been able to take the necessary measures to deal with the problems con-

cult or doubtful situations.
For instance, our important associated company Saint-Gobain-Pont-a-Mousson has embarked, mainly in France, on a large programme of reorganisation which circumstances have made essential. Béghin-Say, too, has progressed from a loss of 127 million in 1978. On a more modest, scale, our small, such modest scale, our small sub-sidiary Huré has also in the par-ticularly difficult machine-tool sector retrieved an apparently hopeless situation and has reached today, almost alone in this sector a sector and the sector sector retrieved an apparently hopeless situation and has reached today, almost alone in this sector a sector and 1980—coupled with the

very good profit from the rise of the Paris market, the beginning of 1979, although not spec-

tacular, has nevertheless been satisfactory.

Our portfolio of stock market securities has appreciated since 1st January by a little over 10%, in spite of the Person sluggish tendencies of the Paris and New York stock markets.

My feeling on this is that in

spite of last year's rise the price level of the leading French securities is still very moderate and that the slightest brightening of the international horizon could be followed by a considerable improvement in prices. There is both a technical and a psychological reason for this. The first is the still very low capitalisation of good French securities which still yield 8 to 10%, scarcely less than bonds which have no possibility of an

increase in their coupons.

The second is the basic change of attitude which results from the realisation that an increase in own funds is a necessity for all companies. This will entail an effort to increase the importance of shareholders and consequently to give them satisfac-tion by improving both the information available to them and their rewards. This policy, which must be the task of Gov-ernment as well as of companies themselves, has begun to be put into practice particularly follow-ing the Monory Act and should

ontinue to be successful.

Naturally, when I speak of the very low prices of leading French securities, I am also thinking of our Company's share which, at a price below 300, yields over 9% and gives a discount of about 50%.

It is therefore reasonable to hope in spite of last year's rise.

hope, in spite of last year's rise, for a new improvement which would be justified as much by our present position as by our future prospects.

thanks to energy savings or to new resources.

Meanwhile, we are experiencing a new transfer of purchasing power which will have an adverse effect on the rate of infation and risk jeopardising the success of the Barre plan.

However, French people will certainly not overcome present difficulties by yielding to panic but by keeping cool heads. There are two reasons for thinking that the fears generally expressed or

of 9.00 francs.
All eleven resolutions before the Meeting were passed.
At the Extraordinary General Meeting, all four resolutions

Conyers, a subsidiary of Dale Electric of Great Britain, is having a 1,800 square metres despoke factory built by the English Industrial Estates Corporation on the Department of Industry's site at Caylon Road, Scarborough. The building contract, worth about £243,000 has been awarded to QUIBELL AND SON (HULL). Work has started and completion E243,000 has been awarded to QUIBELL AND SON (HULL). Work has started and completion is scheduled for January next year.

Following the recent commissioning of the West German positron electrode tandem ring accelerator at Hamburg, which uses 350 Lintott quadrupole focusing magnets, LINTOTT has received an order worth more than £180,000 for similar magnets for a new accelerator in Berlin. An English translation of the Annual Report and Accounts and of the Extraordinary Meeting Report, will be obtainable, later, in London from BANQUE DE L'INDOCHINE ET DE SUEZ, Converties Denariment 53.64 BELLINES Department. 62-64
Bishopgate, London EC2N 4AR
(Tel: 01-588 4941, Ext. 252) and
in the United States from Mr. B.
Viriot, Bluth Eastman Dillon & Co. Inc., McGraw Hill Building. 1221 Avenue of the Americas. New York, N.Y. 10020, USA. for a new accelerator in Berlin. fuel farm for the This will be a smaller accelera- Power Corporation.

#### **UK NEWS**

# Meter readers use computers in home billing experiment

BY DAVID FISHLOCK, SCIENCE EDITOR

DOMESTIC ELECTRICITY bills handbag, which the meter are being worked out and printed on the spot by meter readers equipped with miniature computers in an experiment just begun in Scotland by the South of Scotland Electricity Board,
If successful, "doorstep billing" could eventually save the
Industry several million pounds

annually in postage and through speedier payment of bills. First details of the experi-

None of the other 31 nations represented at the conference tricity Board, said the experi-

an important topic.

The experiment began with an idea from Plessey Microsystems, which the Electricity Council has supported on behalf of the

The company worked closely with the South of Scotland Electhat his board was moving tricity Board in developing a warily in introducing doorstep computer no bigger than a large billing.

reader can carry comfortably by shoulder strap.

Proving trials with eight computers have just begun at Greenock, where each meter reader is calling on about 200 of the electricity board's cus-tomers each day.

Each computer is programmed daily with details from a central computer to the customers on his round, includment were disclosed at an electrical producers' conference in call on customers who have Warsaw, which was told that it made special arrangements for took only 10 seconds to calculate paying bills.

Mr. Roy Berridge, chairman indicated that it was studying ment was not taking place in similar schemes, although cost Scotland because they had any savings in customer billing was special problem with unpaid

He believed it could mean that bills were paid, on average, from three to five days sooner. This would be worth about £500,000 a year to the Board.
But Mr. Berridge emphasised

# **Industrialised countries** 'face leap in inflation' BY PETER RIDDELL, ECONOMICS CORRESPONDENT

of the major industrialised from 2.9 per cent last year to countries this year could be the 1.1 per cent in 1979 and to 1.5 worst since 1975, according to per cent in 1980. City stockbrokers Phillips and

In a new analysis of oil and the world economy, the brokers estimate that higher oil prices will directly add 1½ percentage of the monetary guidelines in the Budget. This risk will be rate this year. The annual rate of increase

of consumer prices among industrialised countries of the Organisation for Economic Co-opera-tion and Development is estimated at 8.7 per cent this year and 8.3 per cent in 1980. This compares with 7 per cent last year. Apart from oil prices, upward pressure is also expected to come from rapid earnings expansion in the U.S. and the

Slack growth

Total output in the OECD will probably increase by only an expected rise of 3 per cent rate as high as 13; per cent. this year. The direct impact of this sector, a reasonably probability of weaker demand in the oil-producing countries. ount in doth years,

The average rate of growth in in 1979."

high sea defence wall at Ilfra-combe for the South West Water

Authority for £600,000 and a

£300,000 sub-contract from Matthew Hall Ortech for the

design and construction of re-inforced concrete slab founda-

tions and retaining walls at Geevor Tin mine, St. Just.

PYE TVT has received a con-

tract from the Independent Broadcasting Authority worth

around £250,000. Two specially developed 10 kW UHF television

transmitters are to be supplied and installed in British standard freight containers. The transmitters are for use either as completely self-contained independent units or for operation

together in parallel or main and standby configurations. The containers, which can be loaded on to any standard low loading vehicle, will be complete with their own self-contained cooling and RF switching facilities.

Convers, a subsidiary of Dale

CONTRACTS

THE INFLATION performance the UK is projected to slacker

Brokers de Zoete and Bevan warn of a "very great risk" in substantially reducing domesreduced only if monetary policy is designed to follow the targets set for 10 months ahead, rather than again attempt to achieve similar annual targets over the coming four months.

The Treasury forecast of a 13½ per cent increase in retail prices in the 12 months to late 'awful" by brokers L. Messel. However, the firm doubts whether inflation can be as bad as that if sterling remains

The brokers argue that in that case it would be impossible for companies to pay the wage and raw material cost increases 12 to 2 per cent in 1980 after that would lead to an inflation

"With interest rates at present levels, and the economy about to enter a recession, money supply growth under 10 trend of the stock market was per cent should also be attain-

£750,000 job at Cornish pasty

factory for E. Thomas & Co.

pany's works at Bracknell delivery at the end of July.

Patricroft, Manchester, placed a £130,000 order with

CHRISTY GROUP for two con tainerised mobile swarf treat-ment and oil reclamation

A contract worth around \$700,000 has been awarded by the National Coal Board to NEI POWER ENGINEERING (PAROLLE) for the manufacture, supply, supervision of Board installation and full ommissioning of a complete new electric trolley locomotive system for the Board's Gedling Colliery near Nottingham.

The contracts division of the BRITISH ALUMINIUM COMPANY has been awarded two contracts worth £630,000 for Triodetic aluminium space ame structures. The first contract is for a 55,000 square feet secial roof structure to be build over Queens Market, West Han, in East London. The second s for the entire structure of new 47,000 square feet maintenance building for the Abu Dhabi National Oil Corporation.

The Royal Ordnance Factory.

The industry's sales totalled

£39.4m, a fall of £4m on the April figure. Repurchases from investors cashing in their holdings also fell — from £38m to £34.6m — but this was still a considered a disappointing figure.

chairman of the M and G group, commented: "The disappointing trend of the stock market was wake of 16 per cent reflecting cashing-in by people paying for holidays."



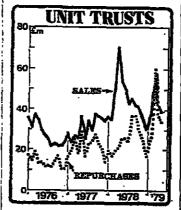
First Sea Lord Sir Terence Lewin (centre) and Lord Strathcona. Minister of State for Defence (left), accept the Royal Navy's first Sea Harrier from Sir Frederick Page, British Aerospace aircraft goup chaiman.

#### blame fall in receipts BL's Honda contract on market 🖣

THE STOCK MARKET'S disappointing performance following the Conservatives' election victory was blamed yesterday for a fall in the unit trust industry's net receipts from

**Unit trusts** 

Net new investment in units in May slumped to only £4.8m



the second worst figure since

Mr. Edgar Palamountain,

# 'ready by September'

THE CONTRACT with Honda be supplied by Japanese manufor BL to produce a new Honda - facturers. designed car in Britain from mid-1981 will be finalised before September, said the Japanese manufacturer yesterday.

Honda and BL said last month that they had reached a basic agreement that the car would be produced at BL's Speke plant. Liverpool, and at Canley, Coventry

The new cars will be pro-Some items, such as engines would be and transmission systems, will September.

Honda and BL are still discussing terms of the contract, including details of the supply

of Japanese-made parts and a take-off trials unit at Yeovilubuilding formula. Honda is Somerset.

Squadrons of Sea Harric studying plans to increase its imports of vehicle parts from Britain, including parts from BL-affiliated manufacturers.

Squadrons of Sea Harric will join Illustrious and the BL-affiliated manufacturers.

duced under licence at an initial the Government by August, so it annual rate of 50,000 to 60,000. was hoped that the contract complete

#### BR team to advise on U.S. rail developments

BY IAN HARGREAVES, TRANSFORT CORRESPONDENT TRANSMARK, British Rail's BR also hopes to sell the

consultancy subsidiary, has wone Americans the technology a contract to advise the U.S. behind the 150 mph advanced Washington and Boston.

The consultants will help establish a timetabling and operational control centre in

Philadelphia similar to that a electric locomotive scheduled

railway authorities on the up passenger train, which is now grading of services between being tested before entering being tested before entering service in Britain later this year. The advanced train, with its

high-speed cornering capability, Crewe, which oversees services; could be suitable for the New on BR's London-Midland region. York-Boston run, which has BR will also assist General many bends, Officials from the Motors in adapting a Swedish U.S. Transport Department and AMTRAK, the federal rail pasfor use on the 120 mph Wash-senger authority, have already ington-New York service from visited Britain to inspect the

# Storm over prescriptions

FINANCIAL TIMES REPORTER

REPRESENTATIVES OF 9,600 might have to consider resign-High Street chemists are to hold ing from the contracts. an emergency meeting to discuss the impact of higher prescription charges on their businesses.

the would no longer handle National Health Service prescriptions. While such a drastic step is unlikely, the chemists

increase in prescription charges from 20p to 45p, announced in the Budget last week, will make them worse off, and they are taking the opportunity to com-Building and civil engineering West German Federal Govern- PLESSEY AVIONICS AND contracts in the West Country ment and installed on a site COMMUNICATIONS (PA AND worth £2m, have been awarded to donated by the Berlin authori- C) has received a Ministry of plain again about their contracts with the Government.

Mr. Alan Smith, chief executive of the Pharmaceutical Ser-vice Negotiating Committee, said yesterday that unless the tially declined and will continue contract were changed to give to do so unless contract terms chemists a fairer deal, they are improved.

If they did, this would mean

The chemists claim the are clearly concerned that they will have to bear additional administrative costs in collect-ing the higher prescription charges without an improvement in their contracts.

In support of their claim that the present contract fails to reward hard work or increased efficiency, the chemists argue

# The Sea Harrier joins the Navy

Harrier for the Royal Navy was handed over yesterday a British Aerospace's Dunsfol-test airfield in Surrey, with th prospect of imminent expor

The Royal Navy has ordere 34 of the £5m Sea Harrier and the Indian Government; expected to place the fire

craft—this summer. Other Governments, include ing France and Spain ar known to be interested. Spain aiready has 13 earlier typ Harriers and Sea Harrier pro pects were discussed this re-when Admiral Sir Terem Lewin, the First Sea Lord, me

British Aerospace said ye terday that a total of an navies had tested the Harriin flights from more than :

The aircraft at the centre the ceremonics resterday w join Invincible, the Ros Navy's first new comman cruiser, next summer. In the meantime, it will be form the Navy's first vertice

BL said final approval to the also be assigned to Hern deal should be given by the after its ski-jump take-off a National Enterprise Board and is fitted next year.

#### Sandelson & Co

In our issue of June 8 stated, in relation to the rep of the Department of Tr Inspectors into Larkfold III ings, that they had casting (among others) stockbrok Sandelson and Co. for permitt Larkfold's funds to be misu and for not accepting or car ing out the responsibilities their position. In fact, Inspectors' report made criticism whatsoever of Sant son and we wish to apolo; unreservedly for this error.

#### World coal deposits to be compute

By John Lloyd

NCB (IEA Services), the sidiary of the National Constitution of the Nation auspices of the Internatio Energy Agency, is to build a computer-stored assessment coal deposits throughout world by 1982. The project, foreshadov

yesterday in the compar annual report, is expected result in a system identify and quantifying amount a quality of coal at most sites the world. The report says that t

experimental pressurised, fin ised bed combustion plant ber built at Grimethorpe, York under the IEA's auspices shot be ready for commissioni later this year.

Fluidised bed combusti could overcome the maj operational problems encou tered in low-grade coal pow generation, those of erosic corrosion and fouling of t heat exchange system.

June, 1979

worth £2m, have been awarded to E. Thomas and Co., a member of the Mowlem Group. E. Thomas be used at Berlin are similar to has started work on a £750,000 the Hamburg magnets, although contract for the English Industrial Estates Corporation for they are shorter and use copper they are shorter and use copper construction of a single-storey production extension for Ginster's pasty factory at Callington, East Cornwall. The corporation has also awarded a £190,000 for the provision of PR2250 receivers and spares for they are shorter and use copper stations. The PR2250 is a high-construction of a single-storey extension to build a 10,760 square feet single-storey extension to hour single-furnace and full-packaged coal-fired boilers. They will be manufactured at the coardinate of the construction of a packaged coal-fired boilers. They will be manufactured at the coardinate of the construction of a packaged coal-fired boilers. They will be manufactured at the coardinate of the construction of a packaged coal-fired boilers. They will be manufactured at the coardinate of the same of the construction of a packaged coal-fired boilers. They will be manufactured at the coardinate of the construction of a packaged coal-fired boilers. They will be manufactured at the coardinate of the construction of a packaged coal-fired boilers. They will be manufactured at the coardinate of the construction of a packaged coal-fired boilers. They will be manufactured at the coardinate of the construction of a packaged coal-fired boilers. They will be manufactured at the coardinate of the construction of a packaged coal-fired boilers. They will be manufactured at the coardinate of the construction of a packaged coal-fired boilers. They will be manufactured at the coardinate of the construction of a packaged coal-fired boilers. All of these Securities have been sold. This announcement appears as a matter of record only.

524,004 Shares



# **Atlantic Research Corporation**

Common Stock

L F. ROTHSCHILD, UNTERBERG, TOWBIN

BACHE HALSEY STUART SHIELDS

PAINE, WEBBER, JACKSON & CURTIS

SMITH BARNEY, HARRIS UPHAM & CO.

KIDDER, PEABODY & CO.

WERTHEIM & CO., INC.

BEAR, STEARNS & CO.

DEAN WITTER REYNOLDS INC.

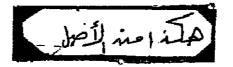
BLYTH EASTMAN DILLON & CO. DONALDSON, LUFKIN & JENRETTE DREXEL BURNHAM LAMBERT E. F. HUTTON & COMPANY INC. LOEB RHOADES, HORNBLOWER & CO. SHEARSON HAYDEN STONE INC.

WARBURG PARIBAS BECKER HAMBRECHT & QUIST

BEARDSLEY BISHOP & CO. HAMBROS BANK

BUCKMASTER & MOORE SAMUEL MONTAGU & CO.

CREDIT COMMERCIAL DE FRANCE PICTET INTERNATIONAL



# Shotton structure

FINANCIAL TIMES REPORTER HE GOVERNMENT is being asked to take the Shotton steelworks, threatened clo-sure out of the control of the British Steel Corporation, it was disclosed yesterday. ne proposal is contained in a document sent to Mrs. Margaret Thatcher, the Prime Minister and Sir Keith Joseph, Industry Secretary. envisages Shotton being run as a semi-autonomous plant under the control of the Government, probably via the National Enterprise Board.

tee which was set up six years ago when proposals were first made for ending stelmaking at the works with the loss of more than 6,000 jobs.
considers that the Shotton
works, with a more efficient teelmaking process feeding the well-established finishing section, could become profit-able if taken away from Bri-

te plan has been darwn up by the Shotton action commit-

ish Steel. e committee is refusing to release details of its plan un-il next month, but it is inderstood that it does not lave the full support of the TUC's influential steel induspresented on British Steel's written answer.

# S. Wales rail strike after crew censured

BRITISH RAIL services in South waymen fear these reductions among NUR members. Wales were severely disrupted vesterday after a train crew deliberately ignored service cuts introduced by management last week to save fuel

Train crews at Treherbert and Rhymney depots walked out when the offending crew was charked with a breach of discipline for taking a train the full length of its normal route instead of travelling only a part of the distance as instructed. Signalmen and other staff later

The dispute, so far unofficial, has been smouldering since last week when British Rail announced service cuts to alleviate its diesel fuel shortage. Rail- been such anger and frustration

could become permanent. Discussions were taking place last united in its resolve to secure night to try to end the dispute. a just settlement and would not The arbitration panel which be "fobbed off" with a deal

is considering a 17 to 20 per cent pay claim from 15,000 standards.

Workers on the London Underground was told by the National Union of Railwaymen yesterday that the union would take any 10.3 per cent to the trhee rail action necessary to secure what unions with members on the it believed to be justice for its

Tube action

London Transport has offered

underground service. But the

NUR told the panel that the

restoration of April, 1975, pay

per cent for top grade super-

No one doubted the need to pay top salary groups large in-creases because their salaries

had fallen behind. If those groups needed their earnings protected, the case was even

stronger for London Trans-port's workforce. The train drivers' union, ASLEF, and the

Transport Salaried Staffs Asso-

ciation have already submitted

The arbitration panel will re

port its findings, which are not

binding, on Thursday. The ex-ecutive of the NUR, which has

postponed a strike of its mem-

bers, will meet on Friday to

written evidence.

discuss the decision.

In its submission to the panel, which reconvenes today to hear levels required basic rate in-further evidence, Mr. Charlie creases of almost 17 per cent Turnock, NUR assistant general for railwaymen, and up to 25.3 secretary, said he could not per ce recall a time withen there had visors.

# Lester gives details of job scheme cuts

BY OUR LABOUR EDITOR

DETAILS OF the Government's would be from the Special Temcut in the Manpower Services Commission budget for special employment programmes were given yesterday by Mr. James Lester, Employment Underry committee which is re- Secretary, in a parliamentary

The main cut, of £42.2m.,

#### Coal Board to consider Gormley plea for pit

BY ROBIN REEVES

neworkers' president, to re- is already underway and the

nce by spending up to £5m oppose the closure.

E NATIONAL Coal Board by other coal industry unions eed yesterday to examine a and by local authorities in the cial plea from Mr. Joe area, which is already suffering rmley, the National Union of above average unemployment.

isider its decision to close NCB plans to transfer the workep Duffryn Colliery, South force of some 550 to other pits. But should it rule out a re-The indications are that the prieve, the South Wales executed will give its reply in tive of the NUM is anxious to out a week. The union wants hold a coalfield ballot in favour board to give the pit a last of taking industrial action to

breaking through a fault in Local miners' leaders argue rch of prafitable coal seams, that the shutdown of Deep Local miners leaders argue The planned closure, due to Duffryn will open the way for place in August is opposed the closure of other collieries only by the the NUM but in South Wales.

POTATY Employment Pro-reducing the expected number of places from 30-35,000 by the end of next March, to 12-14,000. These would concentrated in

'areas of greatest need." The budget for the Youth Opportunities Programme is reduced by £25.2m. Mr. Lester said the aim would be to "remain within the range" of the 100-120,000 places filled at the peak of the 1979/80 finan-

"Even so, more people would be able to benefit from the programmes this year than last."
The period of the grant would
be reduced, and tess expensive places would be provided.

Finally, £1m would be cut from the Community Industry scheme. It would expand from 5.200 places to nearly 6,000, or about 1,000 less than proposed under the last Government.
It was said at the time of the

Budget, when a total of £170m was announced as the planned saving, that the expansion of special measures was being curtailed by concentrating aid in the special development areas. the development areas and the inner cities.

#### POINTMENTS

# Hall Engineering Board posts

r. John Williams, group-chief INTERNATIONAL because il health. Mr. Williams, who 2, joined BOC in 1955. He appointed to the Board of I in 1969. Until last ember he was managing ctor of BOC Limited, the a subsidiary trading in UK. Europe, He was then hinted group chief operating er of the parent company, International.

Giovanni Malvezzi, presi-of LOEB RHODES-HORNiquarters in London, is to me deputy managing ctor of the CASSA DI PARMIO DELLE PROCIE LOMBARDE-CARIPLO lian. He will remain on the d of Loeb Rhodes Horn-er International and his tion as president of that ern will be taken over next th by Mr. E. Alan aberger, formerly co-head of orporate finance department he Loeb Rhoades Group in

ir. J. Parsons and Mr. B. come head of management ser-ks have joined the Board of vices at the Guildford head office LL ENGINEERING (HOLD-is) as non-executive directors. \*

c. John Williams, group-chief

come head of management ser-vices at the Guildford head office of the CORNHEL INSURANCE COMPANY from July 1. He will succeed Mr. J. S. Rawlings, who retires at the end of this month after 44 years with the group.

> Mr. David Walton, previously deputy chairman of the SCOT-TISH METROPOLITAN PRO-PERTY COMPANY, has been appointed chairman following the death of Mr. Isadore A. Walton, chairman and managing director. Mr. David Walton and Mr. Gordon S. Milne, who were joint assistant managing directors, have become joint managing

The Stenhouse Reed Shaw Group has appointed Mr. Alan Warnes as a director and Mr. Peter Hughes, an associate director, of WRIGHT DEEN AND CO., Lloyd's brokers.

Mr. K. G. Spencer has been appointed London non-marine underwriter of the ORION INSURANCE COMPANY from September 1. Mr. G. S. Christensen is relinquishing that position at the end of August to take up another post outside tne company.

BRITISH DENTAL ASSOCIATION has M. J. Newnham is to be TRADE

elected the following officers for 1979-80: Mr. W. M. Lee, president, Mr. P. de Trey, vice-president, and Mr. L. E. Shadbolt, honorary treasurer.

> Mrs. Isobel Cosgrove, an Oxford lecturer and tutor in geography at Queens College, has een made the first tourism proofficer for Oxford under a two-year appointment from next month. The post has been paid for by the English Tourist Board.

> Mr. Brian Allen has been appointed to the newly-created position of director of the FAR EASTERN FREIGHT CON-FREIGHT CON-The post is part of the recent re-organisation of London FEFC secretariat dividing the secretariat into three divisions—central, economic and finance, and commercial. Each division is headed by an assistant director who will work under Mr. Allen.

Mr. William Voss has joined BUCKMASTER AND MOORE, stockbrokers, as a senior instituassociated member of Buckmaster and Moore.

The Secretary of State for Social Services has appointed Professor Roger Dyson as his consultant adviser on industrial relations in the NHS.

Mr. E. W. J. Ashford has been elected president of the INSTI-TUTE OF QUANTITY SUR-VEYORS for the ensuing year. Mr. J. H. Scroxton becomes immediate past president. The other officers of the institute elected at the annual meeting were: senior vice-president Mr. P. E. T. Spencer, vice-presidents Mr. R. C. Clarkson and Mr. J. E.

Dr. Eugene McKenna has joined the NORTH EAST LONDON POLYTECHNIC as head of the department of business studies in the faculty of business.

Mr. David Pitts, managing director of David Pitts and Holt, is the new president of the ELECTRICAL CONTRACTORS' ASSOCIATION for 1979-80. He takes over from Mr. Patrick Lowe. Taking office at the same time are the Association's two Wice-presidents: Mr. Charles Bromley and Mr. Bryan Ford.

Sir Monty Finniston has been re-elected president of the INSTITUTE OF MANAGE-MENT SERVICES. Mr. Harold Williams becomes chairman, Mr. Ray Barrington takes over as deputy chairman and Mr. Philip Butcher continues as treasurer



#### **Action may** hit London hospitals

Several London hospitals could be hit by lightning strikes in support of a sacked union official, it was claimed yesterday. They are expected to follow the lead given by members of the National Union of Public Employees at Hammersmith Hospital, West London, who begin a 34-hour walk-out at 6 am on Friday next week.

Patients face loss of some services in the battle to reinstate trainee carpenter Mr. Bill Geddes, the union's branch chairman at Hammer-smith Hospital.

Mr. Bernie Grant, NUPE area officer, said yesterday: "It is unfortunate that, while we do not want to harm patients, several services to them will be affected.

"It is only the start of the campaign. There will be more industrial action if Mr. Geddes is not reinstated. Mr. Geddes, 35, of Ethelden Road, Shepherds Bush, feels was victimised because of his union activities, and because he embarrassed officials over health risks at

the hospital. He became a national name only days before his sacking when he told the union's annual conference in Scar-borough that pay hed patients were "rich bastards" who would be blacked from

# Gas clerks will fight for higher offer

BY NICK GARNETT, LABOUR STAFF

SECTIONS of white-collar staff industrial group of NALGO. working for British Gas are which represents 45,000 of the expected to call for strike action 55,000 workers. unless the corporation improves

ernment Officers' Association, the union called for action the largest white-collar union in unless substantial improve-the corporation, and MATSA, ments were made in the offer. General and Municipal Workers' Union have rejected

The immediate threat an informal pay offer of about strike action has come from MATSA, which represents 6.000 The National and Local Gov- staff. A recalled conference of

the white-collar section of the A settlement is due next month. Mr. Maurice Reed, MATSA national officer, said the corporthe offer, made during a meet-ing of a joint management- union's claim, which it estimates union working party studying at about 30 per cent.

pay proposals.

Further pay negotiations are expected this week. Any new offer resulting from these talks will then be put to the gas at about of per cent.

NALGO has sought a new minimum of £65 and substantial increases on basic pay to offset erosion in hving standards since 1975.

The industry's 43,000 manual workers recently settled on about 10 per cent after protracted negotiations.

#### **Rists engineers** return to work

ABOUT 200 striking engineers at Rists Wires and Cables, of Newcastle-under Lyme. Staffordshire, have voted to accept a revised pay offer and end their two-week dispute. They walked out over a pay claim and later rejected a 14 per cent offer, demanding an extra 2) per cent and £450 productivity back pay.

#### Hands off shipbuilding, Tories told

IF THE Government does not Society, says in its newsletter culties in obtaining a sufficience ing, flexible price subsidies and for shipbuilding. more defence orders for the "But what has been said, by shipbuilding industry there will some Tory MPs, is that as soon Keith Joseph. Secretary for

Mr. John Chalmers, general union's Newcastle headquarters, sary industrial secretary of the Boilermakers' says that in spite of the diffipossibly strikes.

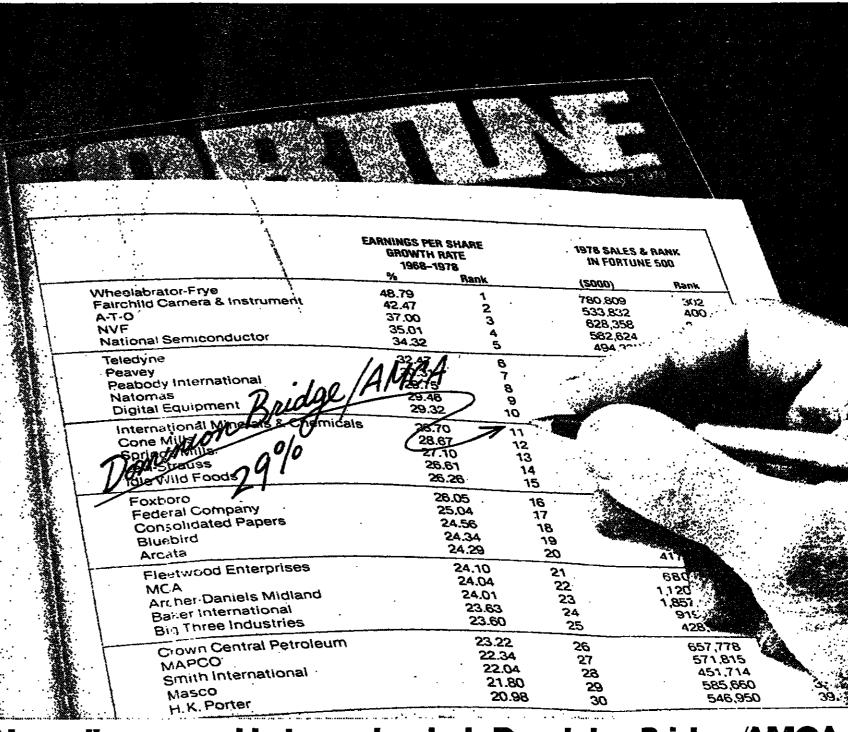
continue to develop such poli- that the Government has yet to of orders and the maintenance cies as improved credit finance emerge with any firm proposals of the labour force, "we must

"chaos, anger and con- as each or any subsidiary in Industry, to consult and comfusion," warns one of the shipbuilding becomes viable and municate with the unions before industry's leading trade profitable it will be hived off." reaching any decisions of the

say to the Tories, Hands off

our industry : Mr. Chalmers calls on Se-Mr. Chalmers, based at the kind that could create unnecesindustrial unrest and

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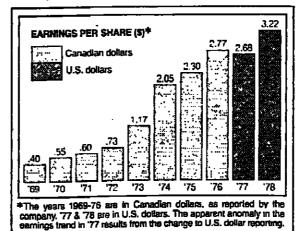
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Vietnamese refugees rescued by the freighter Sihanga

BY IVOR OWEN

an international conference on

resolving the problems involved

Sir lan Gilmour, Lord Privy

Seal and chief Foreign Office

spokesman in the Commons, told

MPs yesterday that the Prime

Minister had sent a further

message to Dr. Waldheim, the UN Sec.-Gen., stressing that the

need for such a conference had

increased greatly since she first

emergency debate was rejected they land.

Mr. George Thomas, the

wrote to him on May 31.

# Varley condemns high-risk Budget

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

is planting the seeds of a grave was a recipe for soaring economic crisis that will cause inflation, rising unemployment hardship and suffering to the whole country, Mr. Eric Varley, Labour's Shadow spokesman on employment, told MPs last aggravated by the decision to

Speaking on the last day of t to break many records — on inflation, on unemployment and even on provoking industrial

But the Budget was defended by Mr. John Nott, the Trade Secretary, who agreed that the Chancellor had adopted a "bigh

Tory determination

risk strategy.'

UK urges talks on boat people

WITH THE plight of the Suggestions that the Govern-Secretary, had discussed the Indo-Chinese issues, the discussionancese "boat people" growment should give a lead to the convening of a conference with sion concluded with the Soviet

more Vietnamese refugees were French Government, like others

sidestepped by Sir lan, who of the EEC, supported the pro-insisted that decisions of this posal.

Iome Office. shadow foreign secretary, accep-Detailing the latest steps ted that the root of the problem

taken by the Government, he lay in the policies of the Govrevealed that Mrs. Margaret ernment of Vietnam.

sage to the Prime Minister of shock caused by the original Malaysia. statement by the Malaysia Gov-

Britain, he said, had urged ernment advocating the shoot-

for Hong Kong and the South- Governments thought to have away."

Lord Carrington, the Foreign Security Council considered improvement.

ing more desperate, Britain is world by announcing Britain's the French Foreign Minister,

stepping up her efforts to secure willingness to take up to 15,000 who had indicated that the

nature were a matter for the

Thatcher had also sent a mes-

There was condemnation from port the proposal for a confer- only partly diminished by sub-

forcing so many Indo-Chinese to and to bring their influence to magnitude of the issues involtake to the open sea, and of the bear on the Government of ved, he believed the matter

countries where

Home Office.

both sides of the House of the ence, to consider themselves sequent statements.

Government of Vietnam for making additional offers of help,

Government of Malaysia for Vielnam to abandon the policies

require some risks to arrest our ever-accelerating decline." He emphasised that the determination of the Conservative Government to carry through the strategy was never

Now, the Government is going to meet its manifesto commitment and do its very best to put things right," he

assured the House. Opening the attack from the Labour front bench, Mr. Varley said the Budget represented the biggest political gamble that this country had seen for a generation. He profoundly disgreed with the analysis behind

"It is bound to fail because

Mr. Peter Shore, Labour's

He underlied the sense of

Because of the gravity and

great influence on Vietnam.

In Paris, earlier in the day, last two occasions when the criticism, was an enormous

ved, he believed the matter pared to be left with the should be brought before the refugees. If they were not

Sir Ian recalled that on the ment, while still open to

THE CONSERVATIVE Budget what the Chancellor delivered

would result in more capital the Commons Budget debate, he investment going abroad and a declared: "This Government is widening of the domestic investment gap.

> "Ther one boom in British exports will be the export of investment," he prophesied.

He likened the present strategy to that adopted in the first Tory budget of Mr. Heath's Government in 1970. He recalled that this had resulted in a U-turn and the introduction "So be it," he said. "It may provide financial assistance to companies in trouble.

He also reminded the House that the present Chief Secre-tary to the Treasury, Mr. John Biffen, had opposed that Act from the Tory back benches.

"I have a feeling that in a couple of years time he will return to a comfortable position on the back benches from which he will be criticising the inevitable panic U-turn that lies ahead," he said.

The Labour spokesman was particularly critical of the rise in the Minimum Lending Rate to 14 per cent, which he saw as

the most negative aspect of the entire Budget. As a result, the Prime Mini-

Union using its veto.

Vietnamese Government.

He fudly acknowledged the

magnitude of the problem which

stemmed from the "discraceful

and inhuman" behaviour of the

The original statement by the

Government of Malaysia had

while Malaysia would take firm

measures to prevent further

arrivals of boat people these

The Malaysian Prime Minis-

ter, he added, had also stated

that Malaysia would not be pre-

would not include shooting.



ster would be remembered as Mrs. 14 per cent," he sug-

He pointed out that the Red Book accompanying the Budget was forecasting a small fall in output over the next year and weak domestic demand.

It also stated that private sector investment was past its "This decline will stem directly from this -Budget,"

commented Mr. Varley. Answering for the Govern-ment, Mr. Nott surprised some MPs by his attitude towards the

cessful than Mr. Healey in already back in doable figures undermining the credibility of when the Conservatives took the national income forecast office.

book itself had declared: "There is no clear assumption that past errors are a good guide to future errors." At this, Mr. Denzil Davies,

former Treasury Minister, pointed out that the Red Book also said the Government was going to keep growth of money supply Was this to be taken seriously

or not? Mr. Nott assured him that the Government was perfectly serious about that figure. Mr. Healey intervened to protest that, by its actions in the Budget, the Government was

making matters worse for inflation.
The retail price index had been expected to rise to 12 or 13 per cent by the end of the Mr. Nott retorted that the

Treasury forecasts in the Red situation with strongly rising Book.

He accused Mr. Denis Healey. "very substantial way."

the former Labour Chancellor, There were Labour jeers of being obsessed by the statis when he added; "I would be tics which it contained.

Mr. Healey's performance in greater depth but I don't want office had convinced him that to speak at great length."

Gavernment forecasts were not necessarily relevant to the real rising at between one and 1.5 world.

orld.

No-one had been more suc. The retail level of inflation was

#### Mr. Nott emphasised that the Difficult outlook

The Government was content to be judged on the increase in real disposable incomes over the next five years. If we could narrow the gap between British incomes and those in Germany and France then we would be on the right road to recovery.

Mr. Nott emphasised that we were facing a difficult outlook for our world trade. Although we were protected from the direct effects of increased oil prices their impact on the demand for our goods abroad was bound to be severe.

The rise in oil prices was going to harm us unless we could increase our share of world trade. That had to be our objective.

The trade figures on the first year but now, as an inevitable four months of the year showed consequence of the Budget, it was likely to be 20 per cent. a tragedy if we reacted to this a tragedy if we reacted to this by placing the open system of Conservatives had inherited a international trade in jeopardy.

Inflation brings **Minister** to earth

A LOT of "ordinary . . . er. honorary . er, honorarable members" were waiting to take part in the last day of the Budget debate, the Speaker warned in the Commons yesterday.

Mr. John Nott, Secretary for Trade, duly fulfilled his first fears by getting the pro-ceedings off to an undistin-guished start.

Mr. Nott's waspish humour has earned him something of a reputation as a Commons a reputation as a Communication as a Communication as a Communication that have been in front of receptive late-night audiences—and in the early afternoon, he fell

quite flat. Nr. Nott came down to earth with a bump in fact as Lahour MPs tackled him about the Treasury forecasts for inflation and unemploy-

predictions notoriously prone to mistakes, Mr. Nott responded jokily. Government forecasts were

not necessarily relevant to the real world, he said. Then what about the Government's forecasts for the mone supply? asked Mr. Denvil Davies, the former Labour Treasury Minater.

They were quite different, said Mr. Nott. "They were a statement of the Chancellor's intentions," he declared.

Even such a freemarket advocate as Mr. Enoch Powell soon began to find that in-Mr. Nott said the Price Commission was being abolished

because it could not influence the general level of prices. What was needed was a more effective competition policy. "That cannot keep down the Retail Price Index either," Mr.

Powell observed.
"It can," said Mr. Nott. "It can't," replied Mr. Powell. The duct continued until Mr. Nott in exasperation declared: Your tortuous logic defeats

That at least enabled Mr. Eric Varley, Labour's Employment spokesman, to work into the debate a passable joke about the encouragement the Budget had given to pop stars like Tom Jones Engelhert Humperdink return to Britain to found a silicon chip industry on Merseyside.

#### Shadow positions

JAMES CALLAGHAN compléted his senior front bench appointments last night by announcing five shadow spokesmen, including Mr. Nell

Dame Edith Hart will be party lowing her role in Government as Minister Development.

The other jobs go to Mr. Alec

# 'Stop killings' plea

new rulers not to execute any endorsed by Sir Ian. more politicians or business leaders. Sir Ian Gilmour, Lord Privy

Seal and Chief Foreign Office spokesman, announced this in the Commons yesterday when deep revulsion was expressed from both sides of the House over the death by firing squad the Supreme Military Council.

Mr. Peter Shore. Labout's their disadvantages. shadow foreign secretary, said. Tory right-wingers contrasted that several political leaders the Government's readiness to were apparently still under recognise the new regime in threat. He called on the Gov Ghana with its reluctance to ernment to make urgent repre- take a decision on the recogsentations to the authorities in nition of the new Musorewa Ghana.

His condemnation of the "odious mix of secret trials and Rhodesia was not an indepenpublic executions" practised by dent state while Ghana was.

House of Commons reform is

one of the few subjects which

genuinely cuts across party barriers and pressure for change

has grown to an almost irresistible level on both sides of the

Mr. Michael Foot, the Leader

of the House in the last Labour Government, was, however, per-

sonally suspicious of any move

which threatened to reduce the importance of the floor of the House as a debating Chamber, and for this reason did little to

hasten the change. By contrast, Mr. Norman St. John Stevas, his successor, is a

supporter of the cause of pro-cedural change, while Mr. Merlyn Rees has taken over responsibility for House of

Commons matters in Labour's

Government, promised in its manifesto that it would give MPs an early

opportunity to debate the com mittee's report, has basically taken the committee's advice on

Though the report proposed changes in several other areas, such as the scrutiny of EEC legislation and the role of the

Controller and Auditor-General the committee recommended earlier this year that the first

thing to do was to give MPs an opportunity to debate the pro-posal for setting up the 12

Committee should have the power to appoint one sub committee which could deve

The Government apparently believes that the proposals offer

the priorities for change.

Opposition team.

BRITAIN is urging Ghana's Ghana's new rulers was He also revealed that the spate of killings which have followed Britain's decision to recognise the new Ghanaian regime under Fl.-Lt. Gerry Rawlings had renewed Govern-

ment concern over the procedure for granting recognition.

He recalled that every over the death by firing squad the recalled that every inflicted on General Ignatius British Government since 1950 Acheampong, former head of had examined the recognition practice but had recognised that alternative procedures also had

Government in Rhodesia.

But Sir Ian insisted that

of the young servicemes killed in Northern Ireland leave widows and orphens behind. Those able to work again. The annua Poppy Appeal alone cannot pay for their food; fuel and homes, Please send donations to: The Royal British Legion Appeals Department, Maid-stone, Kent ME20 7NX.

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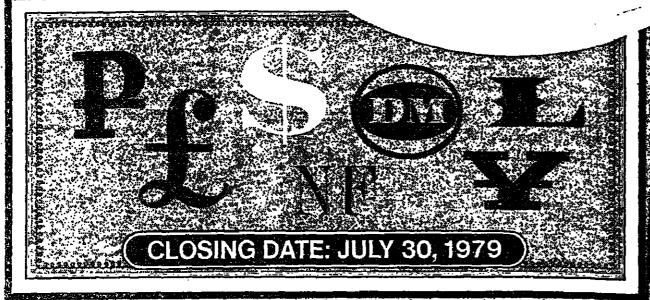
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to be published in the September 17, 1979 issue

Written by

Frank Vogi

U.S. Economics Correspondent The London Times



#### Kinnock, the rising star among younger leftwing MPs. Mr. Kinnock becomes shadow

education and science spokes-

caused "great disquiet," but the man.
Prime Minister had subsequently made it clear that shade Mr. Bruce Millan becomes shadow Scottish secretary and man on overseas aid, folfor Overseas

Jones, MP for Rhondda, who becomes shadow Welsh secretary, and Mr. Brynmor John, threatening to shoot any further which were causing so much United Nation; Security Coun- accepted for resettlement else- MP for Pontypridd, who is made refugees seeking to come ashore hardship for the refugees and cil. whose members included where they would be, "sent Northern Ireland spokesman.

# MPs move to curb Whitehall powers

BY ELINOR GOODMAN, LOBBY STAFF

THE GOVERNMENT yesterday will attract considerable support published proposals for a com-plete overhaul of the existing House of Common system of backbench scrutiny committees. If they are implemented with the spirit the Government apparently intends. they could increase considerably Westminster's powers over House.

In theory, they could mean that MPs would be able to probe areas of Government activity—lie some aspects of the Treasury's work—now closed to

recommendations of the Procedures Committee that perma-nent watchdog committees

In a motion published yester-day for debate next Monday, the Government proposed that 12 such committees should be set up to replace the existing committees dealing with particular subjects, such as immigra-tion and expenditure.

should have a permanent staff of civil servants working for

refuse.

The Government apparently The Government apparently believes that are proposals over thoses, however, that this situation will never arise as the to win back some of the inducation of the inducation of the state o

The belief is that by co-operating with the new committees, the present administration will the present administration will backbenchers and Ministers to set a precedent which will make the new committees, which will

amendments will probably be into the existing select commitput down, the signs are that it tees.

Ministers have accepted the

should be set up to monitor the work of individual Government departments.

The motion, which goes considerably further than the last Government seemed prepared to go, also embodies the Procedure Committees recommendation that the new committees have the preparent staff

It also endorses the idea that a separate select committee should be set up to deal with the reports of the Ombudsman.

In the same way, the Public Accounts Committee, now one of the committee's other recommendations later, has proposed slightly different areas of responsibility for the 12 committees.

Trade and Industry into one committee. It has also stipulated that the proposed Treasury and Civil Service The motion does not, however, go quite as far as the committee wanted in increasing the powers of these new committees The watchdogs will have the power to send for Ministers as witnesses and to ask for Govern-

ment papers—but in theory lop into something like the Ministers will still be able to existing expenditure committee

the committee as effective as Whether this proves the case in practice depends to a large

to the new committees, which will be appointed by the selection Governments to withhold incommittee which is in turn nominated by the party whips.

MPs are expected to be given a free vote on the motion when it comes up for debate next pared to put more time and effort into them than they are effort into them than they are into the existing select to put more time and effort into them than they are

extent on the attitude of both

Not all today's war veterans are old soldiers

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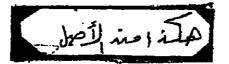
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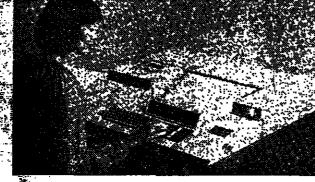


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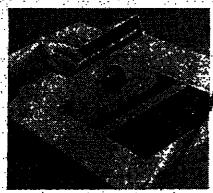
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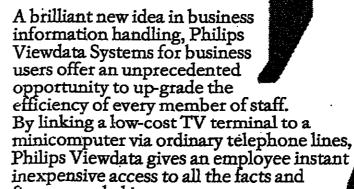


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#### TEXTILES

# Designed to produce a fancy yarn

One such area is in the profabrics and furnishing cloths. This interest has also extended where speciality effects are grams. being used to stimulate trade. The

been developed in Ulster by the company James Mackie and Sons (POB 149, Belfast, BT12 delivery packages of up to 8 kg TED. Tel. 0232 27771) and is being marketed as the "Novostyle" frame.

system. This feedstock will be larger 48, provided from large capacity There are sliver and yarn stop-sliver caps or from 14 in by 11 in motions which automatically heavy duty sliver hobbins and protect the machine from pro-it is possible to feed in a sliver ducing faulty yarn. While there up to a weight of 10 grams/ is an independent tape drive to

range from Nm0.85-Nm40 which be shown as cotton counts

ALTHOUGH THERE is a between 3 and 20 denier, and general depression in sales of the staple lengths from 65 to textile machinery, a few bright spots indicate that business is all be processed on the machine. Yarns are produced with a

duction of fancy yarus such as wrapping thread of a fine synare widely used in decorative thelic which serves to hold thelic which serves to hold together the otherwise unstable fancy effects. This small package into the area of knitted fabrics will be to a maximum of 350

being used to stimulate trade.

A new machine for the production of this type of yarn has duction of this type of yarn has depend upon the fancy effect

In a single operation the Effects are normally promachine combines both spinning duced by a controlled over-feed and fancy twisting. It is able to and this is simply set by means spin yarns and give the feed of a dial control. The frame is sliver a draft from 10 to 60 built in two versions, the smaller through the DASN drafting baving 24 spindles and the

each spindle and, by having the The yarns that can be spun construction as a double-sided machine, it is possible to incorporate individual drives to each 0.5-24 cc, while the range of side and so add to the general fibres that can be processed are versatility of the frame.

#### **© COMPONENTS** Small gas sampling pump

particularly intended for air and available. Alternatively the gas sampling systems at up to pump may be panel-mounted 2.5 litres per minute flow rate using a single fixing nut. The has a DC motor, ball bearing maker says inlet and outlet coneccentric and specially moulded nections can be supplied with a rubber diaphragm, making it variety of miniature pipe fittings very suitable for use in portable including barb connectors for 2, equipment running off self- 3 or 4 mm inside diameter contained batteries operating in tubing or quick action couplings.

Tartan fields.

the world.

A SMALL reciprocating pump an optional mounting bracket is Weight of the unit is 80 gm.

The supplier is Research

Body mouldings are made of Eugineers, Orsman Road, Shoreglass filled polypropylene and ditch, London N1 (01-739 7811).

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relay equipment linking platforms in

Thistle fields and microwave radio

the Cormorant, Thistle, Piper and

#### • RESEARCH

# Complex analyses in a flash

tion on a time scale of a few billionths of a second can be made by a laser technique developed by IBM scientists.

Far-reaching effects on the understanding of fast-acting chemical events such as combustion in automobile engines, key processes in petroleum refining, and other high-temperature reactions can be expected from its application.

Molecules and fragments of

molecules in various energy states taking part in a chemical reaction can be identified by the frquencies of infra-red light they absorb. This standard technique is known as infra-red spectroscopy. In the past, it has not been possible to record a complete infra-red spectrum with a single short laser flash.

This is what the the new IBM technique does. It involves two key advances. The first is a

**Energy use** 

in buildings

AS PART of a five-country exer-

cise established by the Inter-

national Energy Agency to look

of the energy consumption and thermal behaviour of the new Collins' (the publisher) office

Main purpose is to iron out differences that have occurred in the computer predictions made in the participating coun-

tries — Belgium, Canada, Switzerland, UK, and the U.S. A

first set of comparisons made

tained from the five programs.

environmental conditions in all

the rooms will be measured and recorded for a complete year.

The large amount of data col-

lected will then be processed

with the various computed esti-

architects and engineers with appropriate knowledge and

techniques to design energy-

conserving buildings.

Ultimate object is to provide

in Bishopbriggs,

which serves as a probe. When this light is passed through the sample, the infrared absorption spectrum of the sample is imprinted on it.

What happens next is the second key step in the tech-nique. The output infrared beam, with the imprinted spec-trum, is focused into a chamber filled with potassium vapour. A precisely tuned beam of blue light from an organic dye laser is sent into the chamber at the same time. The two beams of light interact with the potassium atoms in such a way that a large fraction of the energy of the blue light is added to that of the infra-red, shifting its colour

into the visible. into the visione.

In this inter action, the spectrum of the infrared beam, which contains the information about the composition of the sample, is virtually unchanged in shape even though its energy

"SNAPSHOTS" OF what is method of generating a flash of has been shifted into the visible happening in a chemical reaction on a time scale of a few uniform range of frequencies recorded on a photographic recorded on a photographic plate in a conventional spectremeter.

> A broad infra-red spectrum can be recorded in one laser pulse of about five nanoseconds resulting from the fact that photographic emulsions are insensitive to light with a wave-length greater than about one micrometer is overcome since

Experiments so far have experiments so far have covered the region from about 2.5 to 3.7 micrometres, but the technique is believed to be extendible to most of the 2-20 micrometer range with the use of other metal vapours.

IBM. Research Division, POB

IBM, Research Division, POB

#### **Surround-sound system**

A CROSS-LICENSING agree the development of the Ambiment has been made hy sonics surround-sound system.
National Research Development Development has been going on Corporation (NRDC) and Nippon Columbia in Japan on and Oxford, supported by IMF

into energy conservation in buildings, the Building Research Unit at the University of Glasgow, under a £230,000 award is to make a major study rights in respect of patents filed by Nippon Columbia and deriving from its UD-4 disc

At the same time the

the subject of "surround sound" patents.

NRDC is granted licensing rights in respect of patents filed by Nippon Columbia and the development of an in the development of an interest of the surround sound patents and the surround sound patents filed by Nippon Columbia and the surround sound patents filed by Nippon Columbia and the surround sound patents filed by Nippon Columbia and the surround sound patents. improved surround sound system called UHJ, already the basis of some experimental broadcasts in the UK. It is also Japanese company has been being "closely considered" by granted licenses to manufacture the Federal Communications audio equipment falling within Commission in the U.S. and the the claims of the NRDC patents. European Broadcasting Union, The corporation has for a who seek to promulgate number of years been financing industry standards.

#### • PRINTING

#### a year ago showed considerable variations between results ob-Web offset presses In the building in Glasgow the weather conditions, all the energy flows, and the resultant

TWO web-offset printing presses a world-wide sales and service intended for high quality com-mercial work are being intro-duced by Crabtree-Vickers of will be a five-colour pro-

Leeds.

The new presses are to be installed at Waddington and Ledger of Dewsbury, Yorks, marketed following joint development between Crabtree-Vickers and the Komine Manuinto a form to allow comparison facturing Company of Japan where more than 30 presses of this type are already installed. Earlier this year Crabtrec-Vickers entered into a market-

First installation in Europe will be a five-colour press to be

The new presses are available in two sizes for up to six colours, printing both sides of the paper. One has a maximum print length of 437 mm. Output from the presses is as 4 8 or 18 ing and manufacturing agreethe presses is as 4, 8 or 16 ment with Komine to establish pages.

year life of the bulb of about 40bn kilowatt-hours.

GE has evaluated several possible technologies as lighting

Fluorescent) and "IR" (for

Infra-red). It selected Electronic

Halarc for immediate develop-

ment, however, because it is

versatile in its applications and adaptable to a wide variety of

sources for the future.
others are "SEF"

bulb sizes and wattages.

The company will

are

Solenoidal

#### **LIGHTING**

#### Long-life lamps promise

ENERGY-SAVING family of home use of about 1,000 hours lighting products which use less per year, the new bulbs could electricity and provide longer cost about £5. But because of its bulb life are promised by GE much longer average life and

The new buibs, GE asserts, should save money, embody the first technology with potential for replacing the each of Europe's 10 with potential for replacing the common household light bulb, a product invented a century

says that commercial, institutional and other uses for the bulb would extend its use well beyond the home. Electronic Halarc bulbs will

Electronic Halarc bulbs will not, however, he available to the public until early 1981.

Developed in GE's lighting business group laboratories in Cleveland, Ohio. Halarc uses metal halide technologies incorporated in the company's Multi-Vapor industrial and commercial line combined with commercial line, combined with electronic circuitry contained in its base. This allows it to react instantly to compensate for fluctuations in line voltage.

Designed for an average life of four to five years in normal

#### ACOUSTICS Intercepts piercing noise

RACAL'S specialist organisation on acoustics has launched a new series of hearing protectors, headphones and headsets which will be exhibited for the first time at AFCEA 79 exhibition being held in Washington U.S., June 19-21.

Sonovalve III is designed for use in high noise situation where the user may be subject to harmful impulse noise suc as gunfire. Its attenuatin properties are remarkable—pa ticularly at low frequencie for example, at 63 Hz most than 15 dB attenuation achieved. This is particularly important for tracked vehicles

important for tracked venice-applications where low frequency noise is predominant. The noise-excluding earshels have a patented acoustic valte which provides hearing prote-tion against high noise layers when closed but allows the wearer to hear ambient noise such as speech, when in the open position. Additionally a patented overlain. patented explosive noise atten-tuator is incorporated in both earshells. This device responds immediately to explosive sounds when the acuostic valve is in the

Racal Acoustics, Beresfird ive. Wembley, Middr. HAO

 By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its seas broadcasts.

#### PROCESSES

#### Makes strong pipe-joints without welding

SOLE marketing rights in machine are available—the Europe for a pipe joining process developed in the U.S.—the joints are made without conventional welding—have been sizes; and the model 150 is for the process of the model 150 is for the process.

length greater than about one micrometer is overcome, since the infra-red spectral region of greatest interest for identifying molecular species is 2 to micrometres.

machine carried on a tractor or, for marine operations, on a pipe lay barge. The process is considered particularly suitable for use in the construction of small pipelines, distribution systems and specialised pipe installations.

Joining of pipes is entirely a mechanical process and is suit-able for pipes with diameters ranging from 2 to 12 in. It is claimed the process produces a strong permanent joint which can be used under the same pressure as would be demanded of steel welded lines. Three models of the Zap-Lok

ventional welding—have been obtained by Avon Lippiatt Hobbs.

The joining process called Zap-Lok, is carried out with the aid of a portable hydraulic machine carried on a tractor or, for marine operations, on a pipe lay barge. The process is considered particularly suitable for use in the construction of small pipelines, distribution systems and specialised pipe installations.

Stess; and the model 150 is for 1 and 2 in nominal pipe sizes.

Under normal field conditions, says Avon Lippiatt Hobbs, the Zap-Lok operation requires a crew of only six people—two operators for the side boom tractors handling the pipe and carrying the joining unit, the Zap-Lok machine operator, two labourers to guide pipe handling and apply the epoxy scalant/ lubricant, and a third labourer to remove excess epoxy after the joins have been made.

Cost savings are stated to vary according to pipe size, length, and the type of weather and terrain. It is claimed to be substantially more economical than welding vielding ineralla. than welding, yielding installa-tion costs savings as high as 35 per cent on long-length trunk lines. The installation process is rapid and the com-pany quotes the model 8000-12 Zap-Lok unit which can joint 12 in pine in 60 seconds or less 12 in pipe in 60 seconds or less under normal field conditions. Full details of this joining

process can be obtained from ALH Systems, Westbury, Wilts. BA13 4HW (0373 864744).

to be handled, thus achieving

optimum efficiency, says the company. Impellers are made of

polypropylene to give better

Major characteristics include

noise level to a minimum, rec-

tangular bases to facilitate im-

proved flashing, plus simpler

Additionally, the Powrvents

now have deepened cowls to

give improved weathering, while Powrjets incorporate non-

corrosive glass fibre shutters.

installation.

ssure development.

#### VENTILATION Air kept on the move

ADOPTION of modern materials and tighter quality control at manufacturing stage have effected the introduction of new styled powered ventilation units from Powrmatic, Winterhay Lane, Ilminister, Somerset

the specifying of Class F insula-tion standard motors fitted on resilent mountings to reduce (046 05 3535). Wider choice of five impeller sizes enables power ventilation systems to be matched more closely with the volume of air

#### ELECTRONICS Directory of agents

PUBLISHED as a companion volume to the European Electronics Suppliers Guide is further directory which lists nearly 1,200 firms and agents in 20 countries.

Called the European Elec tronics Agents Directory, the book is published by C. G. Wedgewood and Company, 14 King's Road, Wimbledon, London SW19 8QN (01-540 6224).

Containing 130 pages in A4 format and costing £15, the directory lists the manufacturers and agents, and then the agents themselves, with names of executives. Most areas of electronics are covered.

# Display

nals designed and made by CPU

Peripherals, Copse Road, St. Johns, Woking GU21 ISX (Woking 73883).

At this price (applicable to OEM quantities), the model 3 offers 64 displayable ASCII characters, 12 baud rates, switchells full on half dupler. operation, 62 keys in standard format, and full cursor control. By making full use of LSI circuits, the company claims to

invested more than \$20m in an

#### more efficient operation, it terminals Installing one such bulb in

switchable full or half duplex have achieved both excellent performance and high relia-bility.

Model 4, also introduced, has accelerated programme to an additional 11 key numeric develop these new light sources pad together with line and as quickly as possible. Further, page scroll, row interchange, the company notes it is investing an additional \$24m in profluction facilities for the and optional displayed control and optional dis

# PROBLEMS WITH ASBESTOS

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tions equipment which offers extended message - handling automation to a company's branch offices and remote locations has been introduced by Plessey Communications and Data Systems.

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George Bunce on how the agri-industry has learned the lesson of identifying and adapting to changing world trends.

# The serious business of real strategic management

ONLY THE best run companies crude point to a trend of in-that remotely creased innovation and modified resembles a sound corporate product profiles to maintain strategy. Those that do so have no need to broadcast the fact; no need to broadcast the latt, no need to broadcast the latt, fuels.

They demonstrate it in their fuels.

Identification of the control of t business performance. Those who do not are either brought into public notice by their in different performance or they is open-ended. No one can ever social just gradually drift into maturity and decline.
The reasons for neglect are straightforward. Creating an

effective corporate strategy requires hard work and a facing up to new management responsibilities. It is easier to grope towards the future from the concrete reality of current operations than it is to take an Olympian view of future events and try to mould an organisaof course that is exactly what good managers should be doing Otherwise they are in danger of failing to comprehend events which—although scarcely visible in the current scene and perhaps ven outside their existing industrial sector-will probably affect future events in a powerful way.

To produce a corporate strategy there first must be a tramework within which the strategic alternatives can be developed. The framework must involve a thorough analysis of he complete environment in which a company operates: first, the world in general as it iffects the industry and company, then the industry as it iffects the company and finally he capabilities and shortit must also provide for reason-ng of opportunities and prob-ems, creative ability, and the clusions but, if, for the sake of ntention to develop the propoations into business realities. Of course, none of this work. s a straight line process. It is derived from it terative within each level and

common is one throughout vhole sequence; what might be called the strategic trends "themes"). These are the najor influences which will thape the future direction in throughout the whole system, which the industry is likely to And there will be periods, of proceed. In the oil industry; for incoherence in these developments ample; supply shortages, ments when one or more parts rice increases and opportunity of the fotal system are out of lies for improved utilisation of phase with other pages. These

between the levels.

profitability, and to a trend of

be certain that he has identified all the factors that will affect a company's situation, although reasonable certainty can be obtained through the systematic analysis of information provided by a sophisticated corporate information network. But the trends should not be cast in concrete. They must be regularly reviewed and up-dated.

Take the agri-business industry as an example. Within agri-business I include all farming activities plus the manufacture and supply of feed, fertiliser, agro-chemicals, veterinary pharmaceuticals, seeds, machinery, commodity trading, and so forth. If we also put the food industry under this umbrella we come up with a very large world-wide agricul-tural-industrial operation with many ancillary industries closely associated with it.

#### Trends

The principal trends that emerge from analysis of this sector are shown in the "Agri-business puzzle" Table. The key effects the company and finally theme running through all this he capabilities and short seems to me to be the inten-comings of the company itself. sification of production and argument, we accept my theme we then need to see how a corporate strategy could be derived from kt.

> First, we should note that the extent of intensideation and integration will yary between sectors in these industries, both in terms of rate of change and the level of activity. Also, intensification and integration will interact upon each other

Next we must work out how the overall theme will be new opportunities for other affected by the various related trends. In this situation the Identifying the main trends is most important will be technofluctuating commodity economic. political. social and management trends. These heavily influence the potential profitability which could be achieved. I will not spell all these out but, for instance, as regards technology. it will be necessary to examine various possibilities: the extension of existing technologies to meet changed circumstances, new technologies that are likely

to arise from within the agri

business sphere, and new technologies that may be developed in industries far outside agri-business but with future appli-The very nature of the agribusiness chain guarantees that even small local activities will events in other countries. company needs to analyse its own industry and the world environment in which it operates to clarify the complex

range of interacting factors. This is essential for a common understanding within the company of what influences current and future trends. Without this there can be little hope for commitment to a corporate strategy. With a common understanding, the company can relate its strengths and weaknesses to those of the industry. and formulate its plans and

Any company would have to example a wide range of trends. Examples relevant to an agrochemicals group are shown in Table L

A company's managerial capabilities would also need rigorous examination. Does it have not only the vision to perceive the evolution of strategic trends. integrity to take a positive

TABLE I-AGRO-CHEMICALS: SOME INFLUENTIAL TRENDS

Changing erop production methods.

Changing crop yields.
 Incidence of crop damage.

• Plant breeders' new crop varieties

Progress of genetic engineering in plant breeding.
 Crop surpluses and geographic imbalance in supply and demand.
 Capability of developed countries to continue to subsidise

agricultural production and exports. excess or deficit production capacities in crop protection manufacturing.

Changing patterns of trade between primary producers, blenders Expansive intentions of U.S., European and Japanese co-

operatives. Expiry of patents. increasing R and D costs, including safety and environmental

its analyses into trends, objectives, plans, actions and results? Almost any agro-chemical company examining the world scene could reasonably conclude that future demand for the industry's products could be strong. But effective demand, as opposed to the theoretical potential, will remain relatively weak in those parts of the world where the need is greatest-the developing countries. Further. in developed countries demand temporarily, as financial support for agricultural products are reduced in real terms. Also, the costs to develop and produce new products will increase, while excess production capacity and expiration of patent protection will lead to more intensive competition.

#### Feasible

protection

In these circumstances, the case for general expansion of production capacities by the industry would be frail, but a case for selective expansion in some product sectors could be feasible. Some sound objectives for the industry might be: closer integration with seed breeding; stance towards change, and rationalisation within the in-the objectivity for thorough dustry between producers; analysis and appraisal? Does it blenders and distributors; new also have the creative flair to structures and methods to identify and develop new busi- expand markets in developing ness opportunities as well as countries; continued and enmaintaining its present base, hanced liaison with governand the capability to translate ments and organisations con-

safety subjects; with direction of R and D to new innovative thrusts.

In this examination of corporate strategy I have suggested that a new dimension is neces sary: a wider subject base, structural analysis of qualitative as well as quantitative characteristics, development of themes and objectives to precede detailed plans, and description of the boundaries within which the company will operate. This work should not be confined to the company's existing industry - though it must first be sure that its current base is secure.

When a company begins to question staying solely in its present industry, and questions the basis and relevance of its managerial practices, it takes the first steps towards what might be called "strategic management" --- the management of change. The move significant changes in the corporate investment portfolio, or it could confirm the wisdom of con-tinuing with current policies within a new perspective of

A LEADING cigarette manufacturer employed one of the world's most reliable computerised forecasting techniques to help plan its production and marketing operations. For most of the time, its forecasts were reasonably accurate, but every 13th month they went wildly

This "baker's dozen problem" ject them forward. recurred mysteriously for This supposedly true story, (that is, useful data) which is several years, until someone told at an aptly titled seminar so implicit to Mr. Bunce's argurealised it had first arisen after at Imperial College, London, on ment above.

developments in its industry. Successful management of

gerial stance of a company so that it can attempt to foresee all relevant opportunities for potential business activity, and to invest in those which survive the rigours of its strategic analysis and evaluation. It requires management of

organisation-remembering that agers manage with information

resource and that success other way. change requires the explicit depends on their positive particiendeavour to modify the mana- pation. This requires motivation through leadership. In turn, this depends on building knowand through communication. The

key to improved communication is through improved management and use of business information—the second crucial at 186, Westcombe Hill, Blackchange through all levels of the resource of any business. Man-

UNDERLYING"THEME

THE AGRI-BUSINESS PUZZLE

IDENTIFYING THE UNDERLYING STRATEGIC "THEME"

and through people—there is no

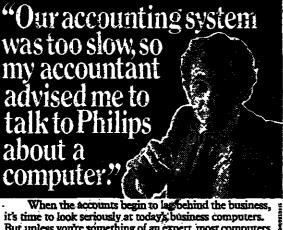
1955, George Bunce was responsible for the strategie development of agri-business within understanding this year. He is now a preclance consultant specialising in strategic management and business with Focus on Information Ltd., heath, London SE3 7DH (01-852

#### Forecasts and plans

presented two Budgets with 13 months between them. What the highly sophisticated system had done, of course, was to in-terpret the two pre-Budget buying sprees as a rather strange form of seasonal cycle, and pro-

principle that all forecasts indeed, all calculations — are assumptions on which they are based. Put more crudely, it

The anecdote also underlines the fundamental difference between forecasting and planning. epitomises the often-ignored as will be emphasised by a series of articles on planning which wil be launched on this erucially dependent on the page in the next fortnight. The series will look, in layman's terms, at the chequered history illustrates the difference be of planning, and will also tween data and information examine how several very different companies are trying to plan their future in an age of unprecedented uncertainty.



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tempted to think we might be sailing dose to the wind on this, you can think again. Our quotes are guaran-teed to be the lowest available at n it comes to conference

alities, we believe we've got all the answers (Including the solution to the brain teaser above, launched CON by MENSAl.
When you know how con

#### Company chief honoured for getting hands dirty IF ONLY more of the barons The eventual result of his

of British industry were as pre- company's collaboration with an Jeremy rry to get their hands dirty (or wet-read

on for explanation)!
.Over the last 12 years Fry has built the Rotork group of engin-eering companies—of which he is chairman-into a profitable enterprise with four subsidiand worldwide sales of

The average company chairin Fry's busy position would delegate the entire responsibility for designing new products, especially if, like Fry, he were not an engineer. Yet Fry has just won Bri-

tain's premier prize for design: the Duke of Edinburgh's annual Designer's Prize. And not just because one of the companies in his stable, Rotork Marine, designed a prizewinning "Sea Truck." for fast movement of freight or passengers across shallow waters.

The unusual nature of Fry's achievement is that he actually had a considerable hand in the design process himself, conceiving the basic idea for the ship's hull while on a family holiday at the seaside. The sight of a group of water skiers set him thinking about how the design principles which enabled the skier to emerge from the water could be applied to a self-

independent design paradoxically ancy. Smallfry, was a shallow draft boat with unusual speed and

For the technically-minded. the basic principles of the Sea Truck are these: As the craft moves forward under increasing power, air becomes trapped between chines which run the full length of the underside of the deck. A turbulent mixture of air and water is held between the outer chines moulded in the bull, and thus effectively reduces the friction between the hull and the water to allow a perunequalled by any other shallow draft craft of a similar type.

The hydrodynamic design of the hull minimises wash from the craft which, with appropriate power units, is capable of speeds exceeding 30 knots. Even with a full payload of about 5 tonnes, the Sea Truck is still capable of 25 knots when suitably powered. Unlike most other shallow draft craft intended for sheltered inshore and inland waterway use, it does not "slam" even in rough water even in rough water conditions.

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LOMBARD

# Where Britain is lagging

BY ANATOLE KALETSKY

has tried to cash a cheque in Italy, or to catch a train in America, or to register with the police in Germany or to understand the mentality of a French peasant farmer, is struck by the contrast between Britain's relative industrial backwardness and the steamlined efficiency of many of its services. Its agriculture and even its govern-

Why do foreign industrialists outclass Britain's when they so frequently have an inefficient shambles in their own back-yards? And why is it that Britain cannot manage its manufacturing industries when it can organise the other parts of its society comparatively well?

#### Entrenched

One reason is that many of Britain's competitors actually cupboards, while Britain is inflation, restrictive practices singularly unfortunate in and a Luddite trade union where its inefficiency is stuck. movertent, The need to transdistribution and huge retail manning into an innocuous margins in Japan keep imports out, or that France's current underlies the current craze for account benefits from the small business in Britain. But Common Agricultural Policy. reservoirs of inefficiency which take the pressure of over-manning off their highly pro-ductive manufacturing industries. But in Britain manufac- standards. turing is the sector in which overmanning is most entrenched.

This is a misfortune not hecause of some semi-mystical belief that all wealth springs ultimately from manufacturing, but simply because manufactured products are freely traded internationally, unlike the pro-ducts of government, retailing, most services and agriculture. So manufacturing is the one by politicians, both in Britain sector where overmanning and and abroad, when unemploylow productivity really hurt, ment figures force their hands Britain's low manufacturing But Mrs. Thatcher is deter-productivity has led to chronic mined to resist this temptation. trade deficits and falling It is certainly arguable that the relative living standards over employment of more bureauthe past 20 years and could, crats automatically reduces the now that non-manufactured oil quality of life for everyone else. exports will be propping up the But is this also true of teachers currency, lead to a collapse of nurses and policemen? At the

manufacturing altogether. ductivity in other economic almost irrelevant. But when the sectors are far less dire, time comes to expand the Consumers pay more for some economy, Mrs. Thatcher should of their services or agricul- remember that overmanning in tural products, but foreign com- government may be bad, but petition does not pose the overmanning in manufacturing

† Indicates programmes in

BBC 1

6.40-7.55 am Open University

(uhf only). 9.10 Schools. 1.15 pm

News. 1.30 The Flumps. 2.00

MANY A British traveller who Industrial workers, who are has tried to cash a cheque in footing the bill for other Italy, or to catch a train in sectors' inefficiency, do not America, or to register with the grumble too much, partly grumble too much, party because of the agreeable "external effects" which inefficiency can produce. The delicious food and unspoilt countryside of southern France would not have survived under capital intensive agriculture. The ancient apothecaries' shops in Germany or the local artisans in Italy offer services and preserve a medieval atmosphere that cost-effective brashness has swept away in

Britain's high streets. In America, telephones are answered in seconds rather than minutes by unharassed operators, which can only mean that, by British standards, their switchboards are overmanned. Peasant farmers accept com-

paratively low living standards in exchange for the privilege of tilling their great-grandfathers' benefit from the unproductive patches of land. But industrial skeletons in their economic overmanning fosters wage-push It is not just that inefficient form damazing industrial over-Most successful economies have sible reservoir for the labour which has to be displaced as large-scale manufacturing industry tries to gear up its productivity international

> Service industries, despite microprocessors, hold out the best hopes, because in the service sector the quality of the product is normally improved by the employment of more people in itself.

#### Resist

Government is the refuge for surplus labour most favoured anufacturing altogether. moment the need for fiscal The consequences of low pro-stringency makes that question threat of general economic ruin. industry is worse.

strong-flinishing La Samanna. 5.55 Nationwide (London and

11.25 Multi-Racial Britain,

11.55 - 12.00 Weather / Regional News. the following times:— Today (Southampton): S Scotland—5.55-6.20 pm Report- South West (Plymouth).

4 Doctors get her French wine

6 Draw up with change of

7 Confining crooner with a key

heart-it's the way of gravity

instrument of harmony (9)

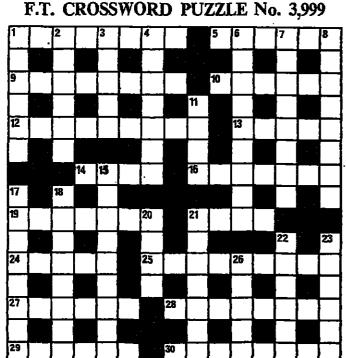
Solution to Puzzle No. 3,998

MOMTED ABAGUS
A E N A R P
LOGUSTS CITOMAM
T T R A O S R
CMARLESTON SHED
A N T I I
MELLO ETCETERA
U W L
SMARTSET OMEMD
S E I C M
FLAG CROCKFORDS
L E A N W T R
SPINACH LIMITED
T I S O A
EASTER TEMMER

Solution to Puzzle No. 3,998

(4)

You and Me. 2.40 Schools. 4.20 Play School. 4.45 Hunter's Gold. 5.10 Ask Aspel. 5.35 Fred Basset. ing Scotland. 6.55-7.25 Driver of



ACROSS 1 Scene of a girl between her parents (8)
5 Engineers a hint of deliver-

9 Communist annoyed with world-wide organisation (3, 8 Smooth flow at close of day

10 Stew in second rate lift (6)
12 Involved with complication in the finish (9)
13 Custom-made garment (5)
14 The opening period must have it (4)
15 Agreement with one on an instrument of harmony (6)

13 Custom-nate garment (3)
14 The game is over—have tea
with a friend (4)
16 Exercised when there was
precipitation after the start
(7)
20 Pur out on the rising tide

19 It comments when leading 20 Put out on the rising tide (7)
21 Acted with love for an 21 Aloof—can you stand it? (7)
ancient queen (4)
22 The way up for one among

ancient queen (4) 24 Object to a doctor taking in a bird (5)

the leading performers (6)
23 Intimate finish to the day

25 Non-conductor possibly ruins (6)
26 A lord in Belgium (5) 27 Beginner that is after a

castle (6) 28 A mean stock behind which

we must serve (8)
29 Taking a trip in part of Yorkshire (6) 30 The final courses return with

emphasis (8) DOWN

'1 One who carries the drink

2 Altogether a recent tune we hear (6) 3 This gives us a second chance to see the action (2-3)

All regions as BBC-1 except at

South-east).

South-east).

Donaw. 5.55-6.20 Wales Today.

6.20 Nationwide.

6.20-5.30 Tom and Jerry. 6.306.55 Driver of the Year.

7.25 Centennial.

9.00 News.

9.00 News.

9.00 News.

Northern Ireland—4.18-4.20 pm
9.25 I Didn't Know You Cared.

9.55 The Show Jumping Business.

Scene Around Six. 6.55-7.25

Driver of the Year.

10.45 Tonight.

Wales—1.25 Northern Ireland—4.18-4.20 pm
Norther

Driver of the Year.

England—5.55-6.20 pm Look
East (Norwich): Look North
(Leeds, Manchester, Newcastle):
Midlands Today (Birmingham);
Points West (Bristol): South
Today (Southampton): Spotlight

Today (Southampton): Spotlight

South West (Plymouth)

Today (Southampton): Spotlight

Today (Southampton): Spotlight

BBC 2

BBC 2

6.40-7.55 am Open University.

10.30 It's a Great Life—If You Don't Weaken.

11.00-11.25 Play School.

2.60 pm Royal Ascot—the 2.30, 3.5, 3.45 and 4.20 races.

4.50 Open University. 4.50 Open University.

6.55 The U.S. Open Golf Championship, from Toledo, 7.35 News. 7.45 Tennis to Win.

8.10 Brass Tacks. 9.00 Rhoda. 9.25 Man Alive Special. 10.35 Top Gear. 11.05 News. 11.15 Barry Manilow. 12.05-12.15 am Closedown.

LONDON 9.30 am Schools. 11.55 Sinbad Junior Cartoon. 12.00 Paperplay. 12.10 pm Pipkins. 12.30 The Sullivans. 1.00 News. 1.20 Thames News. 1.30 Crown Court. 2.00 The National Gallery. 2.30 Film: Tyrone Power in "The

Film: Tyrone Power in "The Black Swan." 4.20 Runaround. 4.45 Words on War. 5.15 Emmerdale Farm. 5.45 News, 6.00 Thames at Six. 6.25 Help! 6.35 Crossroads.

7.00 What's on Next?
7.30 Thundercloud. 8.00 The Streets of San Francisco. 9.00 Rumpole of the Balley.

(S) Stareophonic broadcast

† Medium ware

5.00 am As Radio 2, 6.00 Days Lee
Travis. 9.00 Simon Bates. 11-31 Peul
Burnett. 2.00 pm Tony Blackburn.
4.31 Paul Gambaccini. 7.00 Personal
Cell, 8.00 Andy Peebles. 9,50 Newsbeat. 10.00 John Peel (S). 12.00-5.00
am As Radio 2.

PADIO 2

RADIO 2

5.00 sm News Summary: Weather.
5.02 Tony Brandon (5). 7.32 Terry
Wopan (5). 10.03 Derek Hobson (5).
12.15 pm Waggeners' Walk. 12.30 Pets

12.15 pm Waggoners' Walk. 12.30 Pets Murray's Open House (\$). 2.36 Ray Moore (\$). Racing from Royal Ascot at 3.05, 3.45 and 4.20. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 John Dunn (\$) including Racing from Royal Ascot at 5.30 and 5.45. 6.25 Sports Desk. 7.02 On the Third Best (\$), 7.30 Sports Desk. 7.32 Folk 79 (\$). 8.02 Moording Featival 1978 (\$), 9.02 Among Your Souvenirs (\$), 8.56 Sports Desk. 10.02 Variety Club. 11.02 Brian Matthew with Round Mediaht, including 12.00 News, 2.02-5.00 am You and the Night and the Music (\$).

#6.55 am Weather, 7.00 News. 7.05 Overture (S). 8,00 News. 8.05 Over-ture (S). 9.00 News. 9.08 This Week's

the Night and the Music (S).

RADIO 3

2 983kHz/433m 2 909kHz/330m 2 88-91vhf ateres

RADIO 1

Radio Wavelengths

4 200kHz/1500m

1 1053kHz/285m 3 1215kHz/247m 3 8 90-92,5vhr steree

BORDER

ATV

1.20 pm Border News. 2.25 This Year, Next Year. 3.20 Bygones. 3.50 Untained World. 5.15 Out of Town. Ye 6.00 Lookaround. 6.35 Crossfoads. 7.00 Emmerdale Farm. 7.30 McMillen. Bollo30 Camera. 11.00 Mannix. 12.00 Border News.

CHANNEL CHANNEL

1.20 pm Channel News. 2.30 This typer, Next Year, 3.25 Oh No It's Selwyn Froggitt. 3.50 The Electrical Theetre Show. 5.15 Stars on Ice. 6.00 Freport at Six. 5.35 Crossroads. 7.00 Carron. 5.20 Crossroads. 5.00 Ulster News. 5.15 Stars on Ice. 6.00 Fresh Stary Island. 10.28 Channol News. 10.30 Carron. 6.20 Crossroads. 6.00 Ulster News. 6.15 Milestones or Millstones. 6.30 Alright Row. 7.00 Ermerdale Ferm. 7.30 Film: "The Body Stealers." with George Sanders. 10.30 Camera. 11.00 Two Strains. 11.45 Bedtime.

**GRAMPIAN** 9.20 am rirst fling. 1.20 Grampier News. 2.30 This Year, Naxt Year 3.25 Leverne and Shirley. 3.50 The Royal Highland Show. 5.15 Gambit 6.00 Grampian Today. 6.05 Out of Town. 6.35 Crossroads. 8.00 Streets of San Francisco. 10.30 Camera. 11.39 Reflections. 11.35 Power Without Glors 12.30 am Grampian Headlines.

GRANADA 1.20 pm Carcon. 2.20 This Yest.
Next Year. 3.25 The Story of Wins.
3.50 Gambit. 5.10 Captain Namo. 5.55
Crossroads. 8.00 Granada Reports. 8.55
Emmerdale Farm. 7.05 University Charlengs. 7.35 Film: Dick Van Dyke in
"The Morning Alter." 10.30 Cames.
11.00-12.40 am Film: Humphrey Bogat
in "The Enforcer."

BBC Radio London: 1458kHz, 206m & 84,9vhf

Capital Radio: , 1548kHz, 194m & 95 8vht

RADIO 4

Rothschild) to FFr 19,000-15,300 Latour, Margaux and Mouton (Latour and Margaux), for the 1969s the first pair opened at FFr 70,000 while the others ranged from FFr 48,000 (Latour, Haut-Brion and Clatour, Haut-Brion and Were poured at least 1; hours Petrus) to FFr 35,000.29 000 kpfort into a least 1; hours

ranged from FFr 48,000 is not officially classified. All Typical Graves "bricky" nose, (Latour, Haut-Brion and Pétrus) to FFr 35,000-32,000 before into decanters and then developed well in the glass. A (Margaux and Cheval-Blanc): and in an atmosphere of rising optimism, they sold without much difficulty in the spring of 1970.

#### WINE

Investment life ends for 1969 claret

BY EDMUND PENNING-ROWSELL

grape rather than the Cabernet-Sauvignon, are much fuller and often sweeter. However, the yet and distinguished. Fruity sequence was arranged as below. of a far superior quality. Curiously enough their opening prices were lower, with Lafite at FFr 59,000 and the others around FFr 40,000. However, as the investment to speculation boom took over these initial and it was agreed to mark them and it was agreed to mark them from seven to one, in declining order of quality. The notes are my own, made at the table, but reinforced with those of the other tasters. If the overall impression given is one of

is not a vintage that has been as a whole must be borne in written off. So a dinner was mind.

arranged, attended by two Margaux. Medium colour and members of the wine trade, one fairly elegant nose, but with a members of the wine trade, one arranged, attended by two Margaux Medium colour and pleasant, long, climembers of the wine trade, one fairly elegant nose, but with a leading Master of Wine, their flavour not following through, wives, well accustomed to drink lacking in fruit and ending Mouton-Rothschild.

Shake A Leg making it third time lucky. Equipped with

Bells can confirm his sparkling

homework with a comfortable victory. Of the home-trained contingent Varingo looks a

hetter proposition than Kellord

For anyone requiring a "getting out" bet Young

or Final Straw.

With the course drying out London Bells and I hope to see

yet and distinguished. Fruity for year, and developed well in and suggesting an older wine." other tasters. If the overall impression given is one of flavour from "showing age on adverse criticism, the non-descript quality of the vintage flavour" to "dry, fragrant, light but exciting: developed miracular the glass," and "round,"

Graves is distinct in style, while exciting," "good style Without Cheval-Blanc and Petrus, produced mainly from the Merlot but not outstanding glass of

glass: a wine of real class and true Médoc style. Others noted the aroma as "ethereal and fragrant," slightly unbalanced Although opinions varied on the flavour from "showing age on lously in the glass," and " round, pleasant, long classic." The wine was thus generally

"not very full of flavour."
(heval-Blane. Brown tinge.
Curious sweet-sour sroma.
Flavour sweetish but undistinguished, with distinct chaptalised (sugared) taste. One note was "broad yet volatile nose," another, "chunky flavour spoiled by twist of acidity at end," and rather raw on the palate. Disappointment was general with this wine that might have been expected to show comparatively fruitiness in such a year, as did the following wine.

with some chaptalisation flavour. ner. and careat emptor still Other remarks included "vel- applies in Bordeaux.

clumsy. There was unanimous

thers," but another wrote green, with peppery finish and

showing some acidity." "more

bulk than finesse" was a third comment, and "rather pale in

Lateur. Decidedly big colour.

by all, but both nose and flavour

taste" was a fourth.

UNDER the "ten-year" rule of abstinence recommended before fine clarets of a good year are considered ready to drive and Mouton- are considered ready to drive and to the premiers fine claret, my wife and myself. Tather edgy and stringy. Others colour yet, rather "green" vety, fragrant nose"; "the father of the nose elegant, but aroma, but good flavour and test wine"; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, but good flavour and test wine "; and "not as exciting found the nose elegant, but aroma, Two others wrote "rather bitter on after-taste, but scented, full," and "disappointing in depth but agreement on the colour, but less on the flavour. One found it "more drinkable than the obvious in flavour." The wine was generally liked, save by one of the women tasters who found it blousy.

The order of preference cah the order of placeton the marks given: Lafte (42), Petrus (34), Haut-Brion (27), Latour (21), Mouton-Rothschild (20), Cheval-Mouton-Rothschild (20), Caeval-Blanc (18) and Margaux (8). As will be seen, Lafite was given the top mark of seven throughout, Margaux the bottom one of one. The male tasters were more enthusiastic over the Initially little nose, and then rather immature. Lacking charm and roundness on the palate; a rather dull, "ungrateful" wine. The fine deep colour was noted generally disappointed: "dry, full and big, but rather austere"; "full, earthy, deep, slightly crude but tough"; and between Medoc and Pomerol.

As must always be warned As must always of warred on these occasions, the views were based on single bottles of each wine, and these can vary considerably even when comparatively young. All were from my cellar except for the Cheval-Blanc for which the firm of Laurence Hayward kindly bruke a decent case. The main cona dozon case. The main conclusion to be drawn is that ever the top 1969s have little more to offer, and any owners of clarets of this vintage would be well advised to drink then up without much delay. If further comment might be the Pétrus. More colour than be well advised to drink then the Cheval-Blanc. Lovely scented up without much delay. I have typical of Pomerol, but taste typical of Pomerol, but

# Ascot going may suit Carelko

It was at that point that I personally sampled a very large range of the 1969 clarets at a tasting held in London to cele-

brate the centenary of the Messrs. Rigby and Evens, British agency of the Bordeaux house of Eschenauer. I clearly

remembered being very disappointed with the colour and lack of body and fruit of nearly

Those unsold a year later were soon overshadowed by the

1970s, of which a then record 2m hl were produced, and

boom took over, these initial prices were soon increased.

Yet unlike '63, '65 and '68, '69

all the wines.

A YEAR AGO Royal Ascot got off to a totally unexepected start and the possibility of the fast when Radetzky had nearly ground on which he beat Yeats everyone turning to his card as by three lengths at the Curragh he passed the post the 25-1 last season despite missing the blinkers following a short-head winner of the Queen Anne break. Carelko has clear prostakes. It could well be that Carelko will follow suit today.

Although the Queen Anne by three lengths at the Curragn time lucky. Equipped with blinkers following a short-head defeat by Jay Bird at Leopardstown, where he was sent to post the 100-30 on favourite, London In the one-mile Rathmines

before fine clarets of a good year are considered ready to drink

and pronounce on, the 1969s

have still a few months to run.

However 1969 cannot be con-

sidered a very successful Bordeaux vintage, in spite of

the enthusiasm and rising prices

with which it was greeted; and one unlikely to improve further.

So a tasting of the seven first-

growths was arranged over a

dinner.
The circumstances surround-

The circumstances surrounding the vintage are worth recalling. After the moderate 1967s came the disastrous 1968s, and, therefore, a fine 1969 was keenly needed. The summer was good, indeed in part very hot, which always leads to predictions of a great vintage, although gyessive heat can

although excessive heat can

lead to flabby, acid-short wines. Further, it is the late-summer

and vintage-period weather that counts most, and in 1969 the rainfall in August and Septem-

ber was very heavy, scarcely less than in the previous year

and the equally bad 1965. Yet

the vintage began on time in

the last week of September, and

the weather remained fine. However the red Bordeaux crop

of only 900,000 hectolitres (hl)

At this time began the heavy

investment-in-wine boom that swelled until 1973, with claret

being bought as a hedge against inflation. So the 1969 opening prices rose sharply, particularly

the first-growths, always in the

forefront of any speculation.

was the smallest since 1961.

RACING

BY DOMINIC WIGAN

Stakes on soft ground at Leopardstown early last month to favouritism following his Carelko just held on from bold show in the Derby. But Ardaluam after coming to the for lack of stamina finding him end of his tether close to home. out on the climb to the finish It was the same inability at Epsom, Lyphard's Wish truly to get a mile on anything would, I feel sure, have bustled but good ground which proved up Dickens Hill in the scramble his downfall in the Kilruddy for second prize. Stakes on the same course just over two weeks ago. Trying to travel here and Swiss Maid to make all the running on an absentee. Lyphard's Wish ground less testing but still can get back on the winning softish, Carelko looked all set trail with a fluent victory over

Wales -- 4.45-5.10 pm Lladron 10.00 News.

Donaw. 5.55-6.20 Wales Today. 10.30 Camera. 6.20-6.30 Tom and Jerry. 6.30-11.00 Mayis. 6.55 Heddiw. 6.55-7.25. Driver of 11.30 Barnaby Jones.

Although the Queen Anne Stakes has proved something of a minefield for backers in recent

seasons, a heavily supported runner has usually landed the following event, the Prince of Wales Stakes. This year should prove no exception for Lyphard's Wish has every right

With a quarter of a mile less for a repeat performance until Boitron's stablemate, Pevero.
giving way close home to the There is no better bred colt in the Coventry Stakes than

Generation strikes me as a reasonably safe proposition for the St. James's Palace Stakes. ROYAL ASCOT 2.30—Carelko\*
3.05—Lyphard's Wish
3.45—Matinale

4.20—London Bells\*\* 4.35—Expansive 5.30-Young Generation\*\*\* **EDINBURGH** -Gracious Manner

2.45—Madame Decoy 3.15—Principality 3.45-Lady Whitefoot

метучаном. 4.49-4.45 Goglis. 5.00-6.15 Y Dydd. 5.30-7.00 The Quist Ways of Walés. 10.30-11.25 Bywyd. 11.25-11.55 World in Action. 11.95-12.25 The Squirrels.

HTV West — As HTV General Service except: 1.20-1.30 Report West. 6.15-6:30 Report West. SCOTTISH

1.25 News and Road and Weether.
2.30 The Family. 3.20 Home and School. 3.50 The Royal Highlend Show.
5.15 Popeys. 5.20 Crossfroads. 6.00 Scotland Today. 6.30 What's Your Problem? 7.00 Emmerdele Farm. 7.30 Man Hunter (TV film) with Ken Howard.
10.30 Camera. 11.00 Late Call. 11.05 Pro-Celebrity Darts. 11.35 George Hamilton IV.

SOUTHERN 1.20 pm Southern News. 2.30 This Year. Next Year. 3.25 Stare on Ico. 3.50 The Rolf Harris Show. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 7.00 Emmerdale Ferm. 7.30 Columbo. 10.30 Camera. 11.00 Southern News. 11.10 Mannix.

WESTWARD VV EST WARD

12.27 pm Gus Haneybun. 1.20 Westward News. 2.30 This Year, Next Year.
3.25 Oh: No It's Salwyn Froggitt. 3.50
The Electric Theatre Show. 5.15 Stars on Ice. 6.00 Westward Diary. 6.35
Crossroade. 7.00 Survivel. 8.00 Fantasy Island. 10.28 Wastward News. 10.32
Camera. 11.00 Twist in the Tale. 11.55
Police Surgeon. 12.20 am Faith for Lite.

· YORKSHIRE 1.20 pm Calendar News. 2.30 This Year, New Yeer, 3.25 Calendar Tuss-day, 3.50 Stera on Ice. 5.15 Little Vic. 6.00 Calendar. 5.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Flying High (film). 10.30 Camera. 11.00 Steet. 12.00 George Hamilton IV.

11.45 Listen With Mather. 12.00 News. 12.02 pm You and Yours. 12.20 Desert Island Discs. 12.56 Weather: programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's News. 3.05 Plays on 4. 2.10 Questions to the Prims Minister. 3.35 The Adventures of Harry Richmond (S). 4.35 Story Time. 5.00 PM News megazine. 5.50 Shipping forecast. 5.55 Weather: programme news. 5.00 News. 5.30 Quote . . . Unquote (S). 7.00 News. 7.05 The Archers. 7.20 File on 4. 8.00 The Countryside in Summer. 8.45 So Simple a Thing as the Sun. 9.30 Kalsidoscope: 9.59 Weather, 10.00 The World Tonight. 10.30 Lines from my Grandlather's Forehead. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News. Composer: Milhaud (S). 9.55 10th Cantury Music for two Pisnos (S) Recital, part 1: Debussy, Legati. 9.35 in Short. 10.45 Two Pisnos (S) part 2: Smalley. 11.25 Anthony Rodes (S) Song recital. 12.05 pm Midday Cojcert (S), part 1: Mendelssohn, Schwert. 1.00 News. 1.05 The Arts Worldwide. 1.20 Midday Concert (S) pat 2: Vaughan Williams. 2.15 Welsh Nejonal Opers Chorals (S) Concert. 3.00 Viols and Pisno (S). 3.40 Czech Philharponic Orchestre (S). 4.35 Jazz Today (S). 5.26 Homeward Bound (S). \$5.45 News. 45.50 Homeward Bound. (S). \$5.45 News. 45.50 Homeward Bound. (S). 15.47.30 Liandaff Festivat 1979 (S) Cohocri, part 1: Beethoven. 8.20 Fraid in France. 8.40 Liandaff Festivat 1979 (S) Cohocri, part 1: Beethoven. 8.20 Fraid in France. 8.40 Liandaff Festivat 1979 (S) Cohocri, part 1: Bosto Frank Martin's Mast (S). 11.20 Building a Library (S). 11.55-12.00 News. BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 5.00 London Live. 12.03 pm Call In. 2.03 208 Showcass. 4.03 Home Run. 6.10 Look, Stop. Listen. 7.30 Bleck Londoners. 8.30 All That Jazz. 10.03 Letz Night London. 12.00 As Radio 2. 12.05 am Question Time. From 1.05 Join Radio 2. London Broadcasting
5.00 am Morning Music. 6.00 The
AM Show. 10.00 Brian Hayes. 1.008.00 pm LBC Renorts with George Gale
at 3.00. 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extre.

ine. 1.00 am Night Extra.

Capital Radio
6.00 am Graham Dens's Brask/set
Show (S). 9.00 Michael Aspel (S).
12.00 Mike Allan (S). 3.00 pm Roger
Scott (S). 7.00 London Today (S).
7.30 Adrian Love's Open Line (S).
9.00 Nicky Homa's Your Mother
Wouldn't Like It (S), 11.00 Teny
Myatt's Lete Show (S). 2.00 sm
Duncan Johnson's Nicht Flight (S). A. Capital Radio

6.00 am News Bristing. 6.10 Ferming Today. 6.25 Shipping Polecast.
6.30 Today, Including 8.45 Prefer for the Day; 7.00, 8.00 Today's News. 7.05, 8.00 News headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parlament.
9.00 News. 9.05 Tuesday Call 19.00 News. 10.05 Local Time. 10.30 Service. Walden't Like it (S), 11.00 Tehy Myatt's Lete Show (S). 2.00 sm

Theatre. 11.30 A Sideways Look At...

#### ENTERTAINMENT GUIDE

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Reservations 836 3151. TH June 30.
NUREYEY FESTIVAL
EVEN. 7.30. Mai. 581. 41 2.30.
With LONDON FESTIVAL RALLET. Until
Tomor.: Conservatorie. The Sanguine Fan.
Soccire de la Rose. Scheherazade. There.
Fri. and Sait. The Sanguine Fan. Spectre
de la Rose. L'Adpes-midi d'un Fagne.
Scheherazade. June 25-30 with MURRAY
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Reductions for parties of 10 or more.
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reductions ring 01-240 5250.

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TON'T & Fri. 7.30 Lusa Miller. Tomor.
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The Rack's Progress.
55 'Ambai seals avail for all peris. from
10 am on days of peri.
COVENT GARDEN CELEBRITY
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Sunday 24 June at 3.00 pm.
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Sold Out—possible raturns only.
Tomor 4 Sat at 5.30. Die schweidsame
Frau Thurs 4 Sun at 5.20. If ritorio
d'Ulisse. Fr. & Mor. at 5.10: Fidetio
with the London Philharmusic Orchestra. SADLER'S WELLS THEATRE, ROSCHITY AYE. ECT. VIENNA NIGHTS SESSON CANCELLED. Please return tickets by 60st to Sadler's Wells Theater Account Debt. for refond.

WESTMINSTER CC. S. 836 D283.
Evgs. 7.45. Mats. Wed and Set. 3.00.3
THE MUSICAL THEATRE
COMPANY
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Includes: Chris Booth-Jones Diele. Ann Hood, Neil Jenling,
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Sub. Eves. at 7.30 Mats: Thurs. 3.0 tox
June 21, 200 Sats. 3; 4.0.

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CHARLETTS AUNT

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TON'L 7.30 Bulgakor's
THE WHITE GUARD

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B B B I S

"IT'S IMPACT HIT ME LIKE A
THUNDERBOLT FROM JOYE THE
LANGUARE BLAZES WITH WIT AND
INTELLIGENCE AND ITS
THEME
ELECTRIFIES," Daily Mail.

B O U I S

"WHEN WE HAVE LAUGHED AT ITS
DRAMA AND REVELLED IN THE
COLOURS AND LAYERS OF ITS LANCUAGE BODIES STILL RAISES ECHO
AFTER ECHO IN OUR MIND AND
HEARTS. DINSDALE LANDEN'S PER:
FORMANCE IS WORTH GOING MILES
TO SEE " DOTTO SEE SEEN IN
MODERN PLAY NOW TO BE SEEN IN
MODERN PLAY NOW TO BE SEEN IN
LONDON." E. NEWS.

APOLLO THEATRE. CC. D1-427 2663.

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Eves. 8.00 Sat. 8 and 8. Mars VI. 3.00.
LAVENDER TIMOTHY
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A VERY FUNNY NEW COMEDY BY
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WILL AGOSABLY RUN AND RUN."

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4231 or 435 3031 Mon. Thurs. 8 pm.
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THE PLAY'S THE THING. Adapted
P.G. Wodehouse. "Delightful with")
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HAYMARKET, STANDARD S

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JOAJ FRANK
PLOWRIGHT FINEAY
PATRICIA HAYES In
FRUMENA
by Eduands de Filipod
Oirected by FRANCO ZEFIRELLI
Society of West End Theatres Airard
COMEDY OF THE YEAR
ACTAESS OF THE YEAR
ACTAESS OF THE YEAR
"TOTAL TRIMMPH." Evening Naws.
"AN EVENT TO TREASURE." D. Mirror.
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MAYPAIN. 01-529 3038.

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MAYPAIR.
Evenings 8.08. Set. 6.00 and 8.48.
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Superistive don-tide contesty." E. News. "Soperlative non-side comedy." E. News.
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RODGER'S AND HAMMERSTEIN'S
THE KING AND I
ABO STATTING AND I
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Evening 7.30. Mats. Wed. Sat. 2.45.
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Evenings 7.30. Mats. Wed. Sat. 2.45.
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AS TOU LIKE 17.30.

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OV. RIAN IN MEAT AN
HEAT AN
WHOSE LIFE IS IT ANYWAY?

"IS A BLAZING LIGHT IN. TH.
SEASON, N. RIGHT SO GRIPPE
WHOSE LIFE IN TAMWAY!
"WHOSE LIFE IN TAMWAY!
"WHOSE LIFE IN TAMWAY!
"WHOSE LIFE IN THE TO GRIPPE
MY AUTENTION HAS NEVER WAS
DERED LESS AND I HAVE NEVER PEL
STOCKHOUSE WAS REACTING AS
WAS." ODE. EVE. BOU. SAIL. 545 31
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2.30. West 7.00.

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SHRILA HANCOCK IN
"BLOCKBUSTING SMASH HIT
MUSICAL Daily Mail.
Eyes Musical of the Year 1978. E. St. WARENGUSE. Dominar Thegers. Cov. Garden. Box Office D1-836 9808. Royal Stakesberg Co. Tom McCrath's THE INNOCENT "Trefteddous." Glasgow Hivald. All sevis \$2.10. Students £1.10 in a. Adv. bkes. Aldwesh.

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Evis. 7-45: West, and Sat. 3.6
G. 18 Sept. And Sullivan's
The Mikado.
"A good show very colourist. lively a
exceptionally well sums snoken a
e-rist." Evening Standard.
The words, lokes and rolert of sat
have preer beer so clearly amounted sir
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Nightly at 8.00 and 10.00. Suriday 6.0 and 10.00. Suriday 6.0 and 10.00. Suriday 6.0 and 5.00. The evolution of the modern of the surial terms of the modern of

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ABC 1 and 2. Shartssbury Ave. 835 8861
Seb. peris. ALL SEATS BOOKASIL.
7. THE DEER HUNTER (X), Wr. and
Sun. 2.15, 7.30, 70 mm Dolay saleso.
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CLASSIC 1, 2, 3, 4, Oxford Street, 635
0310 roup, Torranham Court Rd. Talepi1: THE BURDLY HOALY STORY (A.
in full stercophock sound, Prost. 1.45,
3.55. 5.10. 8.20.
2: THE WARRIORS (RI. Prost. 1.65,
3.25. 5.50. 8.15.
3: Robert Mitchum RYAN'S DAUGHTER
(AA). See. ports. 2.00. 7.15.
4: KENTICKY FRIED MOVIE (X). Prost.
1.35. 3.48. 5.55, 8.10.

CLASSIC, Leftertee Seater B1.830 6915. CLASSIC, Leicester Square, 01-830 6915-DEATH COLLECTOR (X). 2.55, 6.05, 9.15. MIGHTOR (X). 2.55, 6.05, 9.15. MIGHTOR (X). 1.00, 9.10, 7.30. CLASSIC POLY: Oxfore Circum (Upper Regent St.) 637 9983. Last 2 days ingrid Bergman, Liv Ullman AllTuma SONATA (AAL: Pros. 1.30 (not Eug.) 3.43, 6.00, 8.13. CURZON, CUITOD Street, W1. 498 3777.
Grand Pric Gaptine: '70 THE TREE OF
WOODEN CLOGS (A). A sim by Oul
Enough sub-titled, Daily at 2.30 and
T.15. Sundays at 3.40 and 7.15. or
Enough the sub-titled of the sub-titled accordance.
The Observer, Last 9 Days The Observor. Late 9 Days.

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THE LADY VANISHES AJ. 500 progs.

Who, stoors once 1.45. 4.48. 7.45. Son,

VAS. stoors once 1.45. 4.48. 7.45. Son of the stoops of the sound of the stoops.

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THE SMAPE OF THINKOS TO COME. (A).

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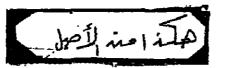
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NILE (A). Props. 2.50. 5.25, 8.10. Live
21 THE DEEK HUNTER, IX., 12.43, 4.55.
7461 Live show \$2., 10.50.



#### THE ARTS

Douglas Rain gives a fine

Henry, a man tormented by his

conscience, relapsing now and

then from the angry defence of his uncertain throne into

another weary promise of a pilgrimage to the Holy Land. He

on the crown, decides almost

with Berowne, that there was a little more mischief in his make-

up when he plans and executes

all those ill-natured jokes. (Hal,

even as a monarch, is by no

means my favourite character.)

As his rival Henry, Henry

(" Hotspur") Percy, there is a

handsome performance by Stephen Russell, a big, outdoors-looking player; his unwilling-

ness to pass even a short night with his wife (Margot Dionne)

is in the circumstances hard to

The low-life scenes are colourfully led by Lewis Gordon's gentlemanly Falstaff, a knight

who brings into the stews a hint

of the good manners he must

have known in the old days.

His encounter with the Lord Chief Justice (Max Helpmann)

is an encounter between two

amusing old gentlemen. Not

that Mr. Gordon doesn't manage his strange oaths well enough,

though I was sorry not to hear

him say "Fillip me with a three-man beetle!" He tells his

outrageous lies with no more

impropriety than a fisherman

exaggerating his catch, and the

Gadshill robbery is covered with the clarity of a thriller.

Jennifer Phipps is a motherly

hostess, and in Part II there is

a brief appearance by Martha Henry as Doll Tearsheet, an age-

ing blonde eaten to the bone

with syphilis, that is one of the

most terrifying things I ever

Blake make a sweet pair of dotards as Shallow and Silence.

explain.

Stratiord. Ontario—1

# Love's Labour's Lost/Henry IV

by B. A. YOUNG

Love's Labour's Lost, the first Lost is Shakespeare's That Was.) It is a production in the big theatre at this year's Stratford festival, is Robin Phillips's only new ever, to have Max Helpmann work in the first month's programme, and even this he shares of Robertson Davies, Ontarios with his literary advisor That Was.) It is a victorian ballads by Gerald actually happening). The back Isaac, who earlier has been an adult Moth to Armado, and I don't grudge him the opportunity to show his voice, even this he shares with his literary adviser, Urjo G. K. Chesterton. Karedo. It looks characteristically lovely under the spreading Maraden, an actor of immense golden willow tree at the centre height and negligible girth, who golden willow tree at the centre height and negligible girth, who of Daphne Dare's set, where looks wonderfully absurd in his the young men-about-court of cocked hat and tight uniform Navarre lie in the sun while their shirts dry on the fence. It is more like Swift's Laputa than a little Academe. The period a little Academe. The period to cast Richard McMillan, an hut remains concordant with a constant of the sun way to cast Richard McMillan, an hut remains concordant with a constant of the sun way to cast Richard McMillan, an hut remains concordant with a constant of the sun way to cast Richard McMillan, an hut remains concordant with a constant of the sun way to cast Richard McMillan, an hut remains concordant with the sun while the but remains concordant with a actor almost as tall, to play curly-horned gramophone (on Costard, but he fits the part which Marcade plays a gopak for the "Muscovites" to dance (and only varies it a little when for the "Muscovites" to dance (and only varies it a little when The production is conventional, to) and a SMLE rifle (under his name is changed to Francis you might say conservative, whose not very threatening menace Costard is marched away to serve a month on bran

The mood is casual romantic: even the magical conclusion is softened - mistakenly to my mind—to blunt the sharp in-cursion of reality into the festive air. Alan Scarfe's King could move into the world of The Vagabond King if only his minions would stop lounging around in their braces.

and water).

I saw this production twice, because the first performance (in the presence of the Governor General) seemed to me improbably below the standard of Stratford theatre, which is normally as high as anywhere I have been. I am glad I did, even though I missed a Richard II at the Avon, Stratford's smaller house, for the second time a new relaxation had fallen on the company, the gabbled speech was properly spoken, the whole thing had taken on a new life.

There are some choice performances. The Princess of France is played by Martha Henry, an actress it is always worth flying 3,000 miles to see, even in a DC-10. She is ravishingly beautiful under an auburn wig, and the firm commonsense she puts into her lines never damps the romance. Domini Blythe is her Rosaline. in a performance full of mis-chief through which you can descry Shakespeare's cheeky boy actor with his pitch-ball eyes.

On the Navarrese side, she is well matched with Richard Monette's Berowne, whose understated wit gives promise of ı notable Benedick one day. For Berowne, a slightly more evilent sense of humour would not in any harm, all the same, and could wish Mr. Monette a more n this season, with no intercompany takes the light more rightly, and Mr. Monette, who ulso plays Prince Hal and is to play Edmund in King Lear later n the year, serves it uncom-

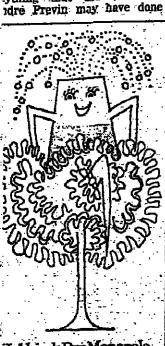
Festival Hall

# LSO at 75

by DAVID MURRAY

With Prince Charles and to clarify Brahms's problematic ther notables on hand to offer scoring went for very little. impliments, the London Symnony Orchestra celebrated its 7th anniversary on Sunday 1ght. Eight days late, to be tact: it was on June 9, 1904, tat Henry Wood's breakaway ayers first appeared as the SO at the Queen's Hall. Can ey have imagined that they ere founding an institution\_of ich distinction?

Those of us not in a position feel nostalgia for the Queen's all had cause to regret it onetheless. The calculated oustic mysteries of the estival Hall can place strange ils over orchestral sound; is time it was Brahms who ffered, with Vladimir Ashanazy's heavily efficient account the Piano Concerto no. 1 nerging from a thick, homonous welter. The veils parted little for the Adagio and vealed some limpid depths, it in the outer movements ything that the conductor



Heidsieck Dry Monopole te Champagne with all the sparkle and fragrance of France. Shipped by Bouchard Aine

Armado is played by Frank

tunity to show his voice, even though it doesn't please me much, since earlier, when Armado has repeatedly urged him "Warble, boy," he just gets to hum a tune to himself. But those sentimental songs set by Berthold Carrière spoil the picture for me.

The repertoire in the main Festival Theatre is completed in this first month by both parts of Henry IV in an outstanding production under Peter Moss.



Alan Scarfe and Martha Henry

in Henry IV). Would the King given that it is played on a and the Princess, or even the thrust stage with the audience Don, really let him talk to them with his hands in his pockets. though?

King, and they deny him the final words: "You that way, we this way," which always sompany takes the light more orightly, and Mr. Monette, who also plays Prince Hal and is to plays Prince Hal and is to play Edmund in King Lear later in the year, serves it uncommonly well.

It's my misfortune, but I can't off and the aristocracy alone off and the aristocracy alone of the prevention and the properties. unny as they doubless seemed then they were topical owl and the cuckoo songs are eferences. (Love's Labour's

The primary-colour scoring of

Andrzej Panufnik's commis-

sioned piece d'occasion, Con-

certo Festivo, was not compro-mised, and the conductor-less

performance sounded entirely

confident. The brass writing in

its opening Solenne produced

some attractive sonorities; mat-

ters became more conventioned

thereafter, with a string inter-lude in Panufnik's earlier man-ner and a final Giocoso which

rose to a numbing super-fortissimo. The second half of

the concert brought Rakhmani-

nov's Second Symphony, which

Previn obviously holds in great affection. Here the sumptuous

big-band sound was as full and

swooning as anyone could pos-sibly have wished, and Rakh-maninov's idiom as thoroughly assimilated as earlier Brahms's

had been haltingly rendered. The Hall's electronic aids are

evidently well-adjusted to Rakh-

maninov, at least-and the LSO

may acquire a newly-balanced

diet with the arrival in Septem-

ber of Claudio Abbado as their new Principal Conductor.

Dame Marie Rambert

honoured

Elise Ross.

on three sides of it. When the battles come, there are companles of soldiers to fight them, clashing their swords and flict. In this production there are 59 players, if my estimate is right, lots of them doubling several parts. Yet it is not played simply to look "impres-

Dracula, appears there as if to considerably in the charts.

The scenes, in the Gloucestershould speak the classing lines never retreating into strobe about the words of Mercury and the songs of Apollo. Phillips tendency is among our own comand Kareda give them to the tendency is among our own combined the song and they done him the tendency is among our own combined the song and they done him the tendency is among our own combined the song handsome procession passi through an eager throng, the stage crowded from side to side new King and his disreputable old crony. Since guessing which Cananadian

will succeed Robin The willow-tree is gone, to be Phillips when he resigns as replaced by an inner pavilion artistic director is a favourite with a useful balcony on top sport in the Canadian theatre, (notably effective when Rumour I think it is inevitable that on (John Wojda), not "painted full the strength of this production of tongues," but black-clad like Peter Moss's name must rise

Sadler's Wells

Finnish Week in Rosebery there is much in the girls' Avenue ended appearances by the National Ballet which shares the Helsinki opera house with the National which stereotypes the characters Opera. Gayane, brought in a staging by Elsa Sylvestersson, is an Armenian Daphnis and ensemble rather than exploring Chloc, with a strong score by them as men and women having Khachaturlan, rich in re-worked folk melodies and dramatic effects. I have little taste for sant antics, but the vitality of the music, which seems to engage the best of Kachaturian's

The story is thin. Giko loves the fair Gayane, who loves Giko attempts to force his atten-tions on Gayane, all but strangling her in the process. Gayane and Armen are united, while Ciko is ostracised by Armenian lads in baggy longjohns. Thus ends the second Act, and Act 3 is devoted to a wedding divertissement of folk On Friday night the Finnish dancers gave heart-whole performances that did much to persuade us of some validity in the drama, in which task the energy of the score was a great help. Design, by Seppo Nurmimaa, was excellent — a forest of cords stretching up to the flies, echoing the lines on which Armenian carpets, that Dame Marie Rambert, 91, founder of the Ballet Rambert, who is Polish-born, is to receive the Golden Medal of the Order of Merit of the Polish People's Republic, one of its highest state honours for outstanding

state honours, for outstanding contribution to cultural her score in turning to the national dances of Armenia—

Republic, one of his instanding company), could make it seem that a curiosity.

CLEMENT CRISP

with three dances of the near oriental poses we know from folk troupes - but it is a manner keeping them as anonymous as a high drama to play out. Ulrika Hallberg and Hannu-

Pekka Holmström were the lovers, Jyrki Järvinen the villain, and they did well, though I did not find my Jyrki Järvinen the the Finnish dancers, made for the dramatic conflict. The unagreeable enough entertainment.

The story is the dramatic conflict. superseded, by the folk dance clements. Here the cast can unleash a lot of energy in a shepherds dance, a lezginko, a Russian dance, and because the score is what it is—the sabre dance (short on numbers, but long on ferocious expressions and the clash of blades). These the Finns do with great verve, and Mme. Sylvestersson has set them out with a nice feeling for their theatrical effect as well as

for authenticity. Gayane's problem is in the high, but unexportable, quality of Khachaturian's exciting but far too local score. The kind of peasant drama it propounds is unsuited to a full-evening for Western audiences: a suite of dances using the liveliest numbers could make a jolly ethnic final ballet in a triple bill, but not even the dedication of the Finnish dancers, nor the excel-lent playing of the company's orchestra under Ari Angervo (whose performance was a lesson to every British ballet

# The new season at Covent Garden

Four new productions join The other productions are: season will be a tour of the Far the Royal Opera House, Covent Andrea Chénier, by Glordano. East, which will cost film; a Garden, repertoire for the 1979 having its first Covent Garden children's opera, The Pig Organ, Garden, repertoire for the Lorent laying its first Covent Garden 1980 season. One is a new production since 1930, with opera, There'se, the first full-length composition of John role and Riccardo Muti conduct. Tavener. It has been commissioned by the Calouste Gulben-with a libretto since 1882 and with learning the layer of the composition with a libretto since 1882 and with learning the layer of the layer kian Foundation with a libretto since 1888, and with Joan the debit side the increase in by Gerald McLarnon. It opens Sutherland as Lucrezia; and VAT will force up seat prices on October 1, with the title role Simon Boccanegra, with Sherrill so that for some performances of the French Saint played by Mines in the title role.

Other major events of the

children's opera, The Pig Organ, by Richard Blackford and Ted Hughes, to be presented at the Round House in January, and in 1981 a visit to Manchester. On will cost over £20.

New Art Centre/House

# Prunella Clough/Jenny Stein

by WILLIAM PACKER

with her, is a natural priority final, superficial qualities, and for anyone with the slightest nothing else, is most mistaken. speaks the lines with a rare combination of poetry and everyday good sense. (All the pretence to an interest in contemporary art. The fact that things seen, improvising and speaking in this production is very good.) The death scene in Part II is most sensitive; and at she is not better known here, elaborating upon them with a let alone abroad is due more, perhaps, to her modest and retiring temperament than to any lack of painterly ambition, for her work can assert itself his bedside his unthrifty son Hal comes magically of age as Richard Monette, after trying in the best of company: but work never loses its suggestiff must be said that she has bility. There is a sense in which not enjoyed the official support all abstraction is a kind of land-that should have been hers by right. Like all but a lucky handful of her peers she must well constructed, we move that imagined space. visibly to turn from a drop-out into a monarch. While he was the drop-out I wished, as I had handful of her peers she must still teach to earn her living, yet another distinguished victim of our curious system whereby the artist is rewarded to the precise degree that he ahandons the practice of his art. Cut down your teaching and you cut down your income; and there Gate, Wire and Underpass, re-is hardly a tax inspector in the inforce the imaginative conneccountry who would view such a voluntary reduction without

effects, all well controlled and sustained but suggesting a certain lack of consistent appliand easy sophistication were though I hope we are growing out of it, we tend to distrust physical beauty in Art as being somehow unserious, the man-darin approach impossibly (horrid word) elitist; and this self-denying predisposition may well explain how it is that Miss Clough has remained in the shadows for so long, with no obvious theory or programme to persuade or distract the critic and curator from the forma! and decorative elegance of her Elegance and sophistication

are there all right, but what they register so beautifully, and with such deceptive assurance and ease, is the final expression of a most thoughtful and intelligent response to the

Prunella Clough needs no visible world and the art it special argument in her defence: stimulates. The seductively she is quite simply one of the decorative presence of each best painters we have, in her finished work need in no way own or in any other generation. vitiate, though it might well dis-Her show of recent work (at guise, the scriousness and the New Art Centre until June strength of the purpose behind 23), as has always been the case it. And simply to see these

> She takes her imagery from delicately inventive playfulness that recalls no-one so much as Paul Klee; and this base in reality means that, no matter how extended the abstraction, the through that imagined space with its elliptical reference, and quietly surreal commentary habit. The titles to the works, the conscious evocation of Pastoral and Wasteland, of

is, a private house, 62 But back to Miss Clough's Regent's Park Road, that has own paintings: the immediate become a Gallery, and in diffi-impression is of a variety of cult times, by the quality of the beautiful surfaces and rich work shown in it, is already work shown in it, is already something of an institution. Jenny Stein, sometime director of the Whitechapel Gallery, uncation, as though that variety able to find suitable premises, decided to turn over to Art her enough in themselves, all effect ground floor rooms, faute de and no substance. Even now, mieux: and it turns out that mieux: and it turns out that she could hardly have done better. Of London's smaller showing spaces hers is as good as any, sympathetic to a wide variety of work and capable of the very largest. North of the Park London becomes another, work by the particular artist, and Carole Hodgson, whose stranger city, and a long way The list is impressive, from the sculpture is the major piece off to the poor southerner (though friends do say that it Fussell, the very first of all, is not as far away as all that, and continuing through such in Old Wimbledon tuntil the and even 30 so far as to live artists as Rachel Fenner, Brian end of June) is a small exhibithere), but the special journey to House has never been less than a pleasure, and has long been a necessary stop on the critical round.

of younger artists, and of those



good eye and confidence in her judgment. Suddenly she looked At the moment she too is show up to realise that her enterprise ing a gallery miscellany cumimemorial show to Michael Falconbridge, Ian Friend, John tion of drawings and paintings McLean, Evelyn Williams and Wynn Jones. The anthology remains on view until July 15.

Finally, brief comments on Mrs. Stein's intention has two other shows. Angela shall say that had there been always been to show the work Flowers, who was much missed no family tie I should have during her temporary retire- discussed her work at some

have been forgotten, over- month or two now from her looked or ignored. She has a new premises in Tottenham Mews (just below Annely Juda). ing a gallery miscellany cumbihad been running for three full. July 7) which brings together years, and the current show is once more what is substantially a celebration of that happy sur-her old stable of artists, notably showing off to advantage all but vival. And more than that, it John Loker, Ian Breakwell, the very largest North of the recalls every show with one Patrick Highes, Derck Hirst,

Perhaps I should not mention if at all, for the artist, Ann Winn, is my sister-in-law; but I who for any number of reasons ment, has been dealing for a length and with great pleasure.

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Tuesday June 19 1979

# Two cheers for SALT

OVER THE last fifteen years existing systems and to develop or so, the United States has new ones. Strategic arms moved from a position of over-expenditure will probably go up whelming superiority in stra- as a result-though not by as tegic nuclear armaments vis-à much as if there were no treaty. ris the Soviet Union to one In many ways the most roughly described as parity important decisions are simply roughly described as parity. Parity is defined as a state of affairs where neither side is likely to goin from launching a nuclear first strike because the victim of the attack would still resources to deliver a devastat- col to the treaty expires. Dis-

The advantage of superiority for the U.S., and indeed for the western alliance as a whole, was that there were certain actions which the Soviet Union was unlikely to undertake because it feared the possibility of an American nuclear response. The disadvantage was that—not unnaturally—the Russians always wanted to catch up and noone could be sure that they would fail to do so. American strategic superiority did not make for a very stable relationship in the long term.

The case for strategic arms limitation agreements between the superpowers has always been that they would put the principle of parity into treaty form, thus limiting if not elim-inating, strategic competition, while at the same time putting relations between the U.S. and the Soviet Union in general on a better footing.

#### The tests

There are therefore two tests which need to be applied to the agreement signed in Vienna yesterday by President Brezhnev and President Carter. The first is whether it will ensure that neither side is likely to be in a position to deliver, or threaten to deliver, a strategic nuclear into parts of the world which strike at the other with impunity. This test applies not influence. just to the state of affairs today or next year but also-because of the possibility that both sides have of developing new systems. or improving existing ones-to the situation well into the 1980s:

whether the agreement is likely to lead to a general improvement in Soviet-American so far, SALT 2 seems to be a have a chance to show it in treaty worth supporting pro-other arms control negotiations, vided that those who do so are and also in their behaviour

judged to have passed the first.

deferred to a later date. The American decision on the deployment of cruise missiles, for example, is deferred until he left with sufficient nuclear the end of 1981 when the Proto-

ing counter blow. That is the cussions on the limitation of strategic nuclear balance as we non-strategic nuclear weapons know it. weapons have been referred either to forums which do not yet exist or which, in so far as they do, have made little progress over the years.

#### Gainers

Yet if SALT 2 could act as a spur to other measures of arms control, that would itself be a partial justification. The Americans would still have to watch that the military balance—and not just the strategic balance did not get out of hand. But at least the negotiating process between the superpowers would again be under way. That is why, on the basis of the parity we are inclined to give SALT 2 the benefit of the doubt: not for what it is but for what it might bring.

The test of the effect on Soviet-American relations, how-ever, is much harder. The real gainers from SALT so far have been the Russians since they have achieved strategic parity with the Americans within a decade and are on the brink of having it ratified. If the result is nuclear stalemate, the danger for the Americans is that the Russians will simply intensify their competition in other fields whether in conventional arma-ments and/or by moving further used to be remote from Soviet

#### It will take, time to tell how

the Russians respond if and when SALT 2 is approved by The second test, which is to the U.S. Senate. It is striking, be applied only if SALT 2 is however, that the balance of power, once so heavily in the Americans' favour, has been tilting steadily in Moscow's direc-tion. What we need now is evidence that the Russians are seriously interested in inter-lished about 1m claimants were and £9.55 for children, depend-On the basis of what is known national stability. They should aware of its limitations. There around the world. It will do is no way in which it will stop no great harm if this is brought strategic arms competition. Both home to them during the Amerisides are free to go on refining can debute on ratification.

# Ghana's search for stability

THE MOST bizarre of circum- which follow could set an ugly stances surrounded yesterday's pattern. Whatever the faults general election in Ghana, which of their country. Ghanaians is supposed to pave the way for a return to civilian rule after political disagreements with seven years of military Government. Just two weeks before the scheduled date of the poll, the retiring military Govern-ment of Lt.-Gen. Fred Akuffo was overthrown in a coup led by junior officers and other ranks.

The new Government announced that it had not come to political way. After experiment-stay, merely to "house clean" ing first with Nkrumahism, or bring to book those who had then with military Government. abused their positions and next was a multi-party cabinet profited from bribery and cor-ruption during the Governments more military regimes, it is now of Lt. Gen. Acheampong, who preparing for an Americanwas overthrown last year, and of style presidential system of the clean of the clea handover date must be delayed from July 1, possibly for as long as three months.

#### Economic malaise

Last weekend, the new Government gave an indication of what its "house cleaning" might entail: Gen. Acheampong and a former border police firing squad for alleged corruption, after a trial which is reported to have lasted less than one day. There is no doubt scale flourished. Nor is there much doubt that corruption is malaise which afflicts Ghanaian

But it is far from clear that the execution will have a deterrent effect on a society where corruption is allpervasive. Furthermore, what-ever Gen. Acheampong's faults, it is greatly to be regretted that he should be despatched after so summary a trial, which runs counter to Ghana's long and distinguished legal tradition preferably without further This execution and any others bloodletting.

#### New style In many respects, the latest

military coup can be seen as an example of the manner in which Ghanaian society has lost its place this year as promised. Whatever the failings of Ghana's new constitution, civilian Government might at least offer this demoralised and unhappy people a chance to recover a degree of political self-respect and purpose.

#### Problems faced

At the same time, Ghana needs a background of political certainty to underpin the tough task any Government will face than one day. There is no doubt in trying to revive the economy, that during Gen. Acheampong's shattered by years of declining rule corruption on an immense cocoa production, deficit financing and an over-valued cur-rency. The Akuffo Government a major element of the deep- set about tackling these prob-rooted political and economic lems in a sensible fashion which won it the approval of the IMF. It is important that this policy be continued, and it is encouraging that the new Government has reappointed Dr. J. S. L. Abbey, the capable Minister of Economic Planning.

But the economic and political health of Ghana are closely inter-related. It is therefore essential that the new military Government bows out quickly,

# Britain's changing pattern of poverty

BY DAVID FREUD

The generous uprating of social security benefit in last week's Budget is unlikely to alter the position of the poor fundamentally, mainly because inflation is expected to catch up with the increase. However,

the Conservatives have shown awareness of the dangers in one aspect of assistance — the widening gap between the various levels of support for the poor.

ORE PEOPLE have been diving on or below the official poverty line in Britain over the past few years than at any time in the postwar period.

Much of the increase has probably been due to the upward movement in the definition of poverty. Nevertheless, the figures reveal a radical change in the kind of people affected. Pensioners are still the largest single group of poor, but families with children are now a growing proportion of the

There are three underlying reasons for the change. Since 1974 unemployment has more than doubled. At the same time the changing social role of women has meant rapid growth in single-parent families, many of which have low incomes.

Finally, the approach developed by the State since the late 1960s to help the poor —through heavy reliance on means - tested benefits—has probably made it more difficult for people to pull themselves out of poverty once they find themselves in it. This is due to the workings of the notorious

#### Rather out of date

The change in the nature of the poor seems not to have been noticed by most politicians. Part of the reason is that the figures revealing the trend are complicated to interpret and rather out of date by the time they are published. The latest set of reliable statistics, for instance, extends only to 1976.

In 1948, when the National dependent on national assist-The figure fluctuated around 1.6m through the 1950s, but by 1966 the number of but by 1966 the number of the same as the short-term short-term rate.

line at the end of 1976.

wages, after tax is taken into that adequate provision was claimants receiving supplementary benefit had increased to clude the cost of housing, a inflation may also have made bers of children living in holds were estimated to be in children, while at the same 2.5m. In the following 10 years the total rose to 2.9m. According to the Royal Com-

Income and Wealth\* the 1976

recipients plus their dependents, about 9 per cent of the population. The comparable total for 1966 was not available, but it was estimated to have been only

7 per cent of the population. The main increase appears to have taken place between 1974 and 1976 and for this period there is direct evidence in figures extracted by the Department of Health and Social Security from the Family Expenditure Survey (FES).

This shows that the number of people living below the long-term supplementary benefit

(SB) level rose from 1.4m to 2.3m during those two years. Not only was there an increase at this lowest level. The number of claimants and their dependents receiving supplementary benefit also went up-from 3.7m to 4.1m—as did the

number living just above the long-term SB levels.
In total therefore, between 1974 and 1976 the number living around the poverty line moved up from ILSm people to 14.9m, more than a quarter of the population.

It is likely that the number of poor has stayed roughly the same since 1976. The steady drop in unemployment during the last 18 months is likely to have reduced their numbers, as will the extension of child benefit. However, these factors have probably been counterbalanced by the growing numbers of long-term unemployed.

The stable numbers receiving supplementary benefit in the last three years support the interpretation that the incidence of poverty has changed little over this period.

Are there more poor because the official poverty line has been raised? One problem in assessing this is that there is not one poverty line, but several. The key definitions are the two sets rates of supplementary benefit—long-term and short-term—paid by the State to those whose income would otherwise fall below these levels.

The higher long-term rate is paid to pensioners and those who have been claimants for more than two years, while the main beneficiaries of the shortterm rates are the sick and unemployed who cannot survive on national insurance and those whose earnings in work fall

and £9.55 for children, depending on age. The comparable of these are likely to have been long-term adult rates have been claimants with children — most £31.55, £19.90 and for children, of whom are on the lower the same as the short-term short-term rate. mission on the Distribution of 19½ per cent next November. the rate went up roughly in families. Professor Donnison Income and Wealth\* the 1976 In real terms the poor are line with the Retail Prices said that over the last three figure represented 4.7m about twice as well off as they Index, it is widely claimed that years, claimants with children

were in the years after the war. mission the long-term SE rate increased by slightly more than Price Index between 1948 and 1977, with the bulk of the relative gain coming in the 15 years to 1967.

Over the period as a this increase was a little faster than the growth in average male manual earnings, mainly due to a substantial uprating in 1965. This uprating brought the short-term SB rate from around 25 per cent of average male earnings, where it had been through the 1950s, to about 30 per cent, where it has stayed.

During the 1974-76 period-when the main increase in the numbers of poor occurred— there was another uprating in real terms, this time of the longterm SB scale. At a time when average real take-home pay fell, this scale moved up in relation to average earnings and prices, whichever was the higher. So it seems likely that the increase in the absolute numbers of poor is largely due to the raising of the official poverty line.

# Widening

At the same time there has been a widening gap between the two sets of benefit rates. The long-term rate was introduced in 1966 at 11 per cent above the basic rate, but since 1975 the basic rate has lagged behind due to the differential uprating of benefit—long-term in line with the higher of the rise in earn-ings or prices and short-term in line with prices. The gap now stands at 25 per cent and would a problem. Even though their have continued to widen if the numbers had tripled, by 1977 Chancellor had not changed the they amounted to only 58 per policy last week.

variable item in the UK's distance on the lower SB rate poverty there seems to have torted market, and they are to worse off than they would have been some relative deterioration increase by between 171 and been in earlier years. Although

since 1974 the prices of elec-tricity, food and other items which form the bulk of the poor's purchases have gone up faster than the basket of goods making up the RPL
However, there is a lively
dispute taking place on this
point between Department of
Employment statisticians and

"poverty lobby."

holds with children. Pensioners.

who in 1948 represented 63 per

cent of claimants on National

Assistance, have diminished as

cent of claimants. Furthermore,

they now occupy a much larger share of council houses than

claimants increased from 5 per

cent of the total in 1948 to 22

per cent in 1977. The FES com-

parison shows that whereas the

1974, the figure rose to 1.8m

show that there was a total

of 1.5m children living in

families at or below the poverty

in State benefit for large

There was also a big rise in

unemployed

they did in the 1950s.

Meanwhile

in 1976.

danger.

<sub>Dec</sub> 1970

Nov 1970 = 100

130

120

Professor David Donnison, chairman of the Supplementary Benefits Commission, argued that there were grave dangers in the widening gap between

There are some signs that those on the lower scale may be worse off in relative terms than they would have been earlier. The Royal Commission presents figures showing that the poorest 25 per cent of families received roughly the same share of UK net income throughout the 1968-76 period. If those on the long-term scale have become relatively below SB levels.

Since last November the short-term scale has been £25.25 a week for couples, £15.55 for below 140 per cent of the longterm SB scale - have become

than those without.
This meant that support for large families in the UK was significantly less than in other Western countries while the international comparison showed rough comparability

with smaller families. His view is strongly supported by a Royal Commission finding that lower-income heads of larger families, as well as single parents, were twice as likely to say they couldn't manage than other family heads.

THE GAP IN PURCHASING POWER

Benefit scale

Ordinary scale rates and earnings

Long-term scale rates and earnings

Mr. Frank Field, the new the two sets of benefit. Quite Labour MP for Birkenhead who apart from making those on the short-term rate relatively worse is closely associated with the Child Poverty Action Group and off, it also meant that the long-Low Pay Unit, argues that the scale of children's benefit is term rate would eventually catch up with earnings. This based on nutritional research would make a backlash likely conducted in the U.S. in the last as resentment among the lower conducted in the U.S. in the last paid built up. The Chancellor's century. It has never been century. properly tested and the benefits announcement that both sets of scale is, he believes, biased in benefit would in future move favour of adults.

in line with prices shows the Conservatives recognised this The state's reaction to the growth in poverty has been to extend, step by step since the Professor Donnison argues that the relationship between the State support level and late 1960s, the use of meanstested benefits—mainly because this was the cheapest way to deal with the problem. As well average earnings is the correct one, rather than absolute need. Perhaps more significant than as supplementary benefit, meansthe actual number on the poverty line is the fact that tested distributions now include Family Income Supplement, rate and rent rebates, rent allowthe main recruiting ground for the new poor has been houseances and free school meals.

#### Cheapest way

Failure to take up these benefits, especially among low wage-earners who perhaps do not know they are entitled, is one reason so many people are living below the poverty line.

The Supplementary Benefits Commission estimates that in 1976 about 900,000 people failed to take up about £300m of unemployed and their dependents on or below the poverty line totalled 450,000 in benefit to which they were entitled. Take-up rates of rent allowances have been estimated by the Royal Commission at as single parents and their children on or below the SB scale—from 840,000 to 1.2m. Figures assembled from the Family Expenditure Survey

means-tested benefits and the inflation.
tax system has also led to the More fi benefits than they gain in simplify the system, ensuring wages, after tax is taken into that adequate provision was this position in 1975 and marginal benefit for each extra the poverty trap.

£1 earned ranged from negative Royal Commission on the £1 earned ranged from negative

had become slightly worse off disincentives among the poor move up the carnings ladder in other Disincentive not to work at all while is far less. Only 30,000—about one per cent of all claimants—would be better off on the dole than in employment if they claimed all the benefits to which they were entitled, according to Professor

Jon, 1977 Annu

<sub>Dec</sub> '75

Mr. Field argues that the means-tested benefits, through the poverty trap, have meant that State assistance to the poor has become a ceiting rather than a floor. "It has become impossible for individuals to break back into the main stream of the country's

life," he states. At the same time the system has required a vast growth in the bureaucracy to administer it and prevent fraud.
There is probably no cheap

way to alleviate the wide-spread poverty as Britain moves into the 1980s. The single most effective development would be rapid economic growth which absorbed all the excess labour on the unemployment registers. However, since optimism is no substitute for policy, time would be better spent investigat-ing ways of adjusting the system in line with the changing

pattern of poverty.
This would mean concentrating on the unemployed, large families and single parent

One step, urged by the Sup-plementary Benefits Commission, is to put the unemployed on the more generous longer term benefits scale. This it is estimated, would cost about £80m a year.

But perhaps the first priority should be to take children one of the poverty formula—formula they should not have been allowed to enter in the

first place. A first move would be to index the rates of child benefit -which is paid to all mothers low as ten per cent. —thereby insulating mothers. The relationship between the and children from future

tran, in which net earnings can up the rates to those paid under fall with increased wages. People in the tran loss many translations are supplementary beautiful. More fundamental—and more

time reducing the operation of to 49 per cent in no less than 380.000 cases.

This is the area in which 1978. Command 7175, SO £6.75.

# **MEN AND MATTERS**

#### Refloating the

#### gas balloon

One company that breathed a corporate sigh of relief after the Budget was Calor Gas, which with 35 per cent of the UK propane market is also one of the more active in the field of converting petrol engines to run on it. The Budget did not increase the tax on liquefied propane-since 1972 taxed on a par with diesel-and Calor is now set to make a major investment in increasing the number of re-fuelling points. At present there are only about 200 in the UK-compared with at least 1,000 in Holland.

At 58p a gallon, gas has a certain allure about it just now, even with conversion costing £200 and more per vehicle. This involves installing a fairly complicated tank as well as con-verting the carburettor, but after that cars can be driven on either gas or petrol at the flick of a switch. Calor's general manager, Carl De Camps, admits development of the technology has been "rather bogged down" by taxation. Before gas was taxed, none of the larger companies knowing the crunch could not be far off-would have any truck with it. After 1972, when the crunch came, gas ceased to hold any great attractions except that it was cleaner and reduced the wear

The Howe Budget, increasing oil prices and the propane found along with oil in the North Sea has changed the equation. But De Camps is wary of encouraging individuals to switch over to gas. The problem is supply. BNOC has just signed a contract with Calor to sell 150,000 tonnes over the next two-and-a-half years. By the late 1980s, says De Camps, 5m tonnes will be

on engines.



I see the whole thing become null and void if Sky Lab falls on Brezhney."

—quite disgraceful—but the 30m tonnes they could provide is not all going to be available to us. The U.S. and Japan as very LPG-hungry, and Spain a growing market, having a town gas."

But while the propane keeps hissing, a surprising number of UK companies have converted all or part of their fleets and installed their own re-fuelling tanks. Among them are Littlewoods Home Delivery Services, Securicor, two water authorities, and—rather oddly the North Eastern Gas Board.

#### Own goal

The ease with which a Soudi man can divorce his wife and the success of the Ahli foodall team have combined to break up at least one Saudi home. I

won 4-0.

took up the case with fervour.
"For how long will the Saudi obsession with football continue to destroy the sanctity of the home?" it thundered Prophet on the authority of his favourite wife, Ayesha: "It is the consensus of scholars that divorce is invalid if it results

Marked from extreme enger."

Mrs. Otaibi's views are not Proud of the high dignity of known. But as divorce in Saudi Arabia is extremely hard for a woman (as opposed to a man) to get, she may prefer her un-expected new status, and

#### New queues

Lengthening petrol queues on top of economic troubles seem to be driving Washington's more unbalanced citizens over the edge. While reluctant to encourage the new madness by talking about it, psychiatric hospitals in the area admit there has been an unusual increase in the area admit there has been an unusual increase. increase in the number of patients. "It's jumping here," said one expressive admissions clerk at Saint Elizabeth Hospital. "Most of our business is usually during the cold weather.

At Spring Grove Hospital Centre, Maryland, they were more precise: "Involuntary available from the North Sea.

But it will still not be enough to cope with mass conversion to gas, "Vast, vast quantities have been flared in the Middle East Ittihad. Mrs. Otaibi is an equally more precise: "Involuntary commitments" there rose from 127 in April to 185 in May.

During the first 11 days in June another 108 citizens took a

keen supporter of Ahli. When compulsory break. A senior keen supporter of Ahli. When compulsory break. A senior the two rival clubs clashed in official at the hospital, Richard the Saudi Cup Final on June 9 Runge, was outspoken in his Ittihed was unfortunately outclassed, and incensed by his Americans may be better prewife's crowing every time Ahli pared than during the 1973 scored, Abdul Rahman swore the traditional oath of divorce are contending with soaring peach time. Unhappily, it takes prices in a worsening economy: fonly three oaths to lose a wife. "The conflicting stories—blambly the final whistle. Mrs. Otable ing everyone from the President ionly three oaths to lose a wife. "The conflicting stories—blam-By the final whistle, Mrs. Otabi ing everyone from the President and the children had fled: Ahli to the oil companies to service won 4—0. stations—give a plausible hook

The newspaper Al-Medina for individuals with paranoid tendencies. During Watergate we got people suffering from delusions that they were being followed around by the CIA.

More cynical observers insist righteously. Relief finally came that the petrol shortage and its on Sunday in a Fatwa — legal associated murders and madruling — from Mecca's summary ness are confined to the circula-court. The assistant president tion area of The Washington quoted a Tradition of the Post: "They keep running

#### Marked man

their profession, accountants of the chartered variety have been riled by the description of Mark Thatcher, the Prime Minister's son, as a chartered accountant. The latest issue of Accountants Weekly goes to the bottom of the matter, and points out that Thatcher fils, while an excellent amateur motor-racing driver, has not earned his accountancy laurels. Nor has Thatcher ills made any great efforts, it seems to correct the impression that he is chartered. "He passed his English Institute Part 1 final in May, 1976," says the magazine tartly, "but so far, at least, has not managed to progress any further in the examinations stakes."

#### Special feature

A reader in Reading tells me an advertisement in a local shop window runs: "For sale, 1968 Mini. Body fair, uses hardly any petrol (can't get it

Observer |

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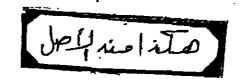
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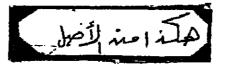
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# FINANCIAL TIMES SURVEY

Tuesday June 19 1979

The general election in March produced a swing to the Right but Finland's pluralistic democracy continues to function in its own idiosyncratic way. The economy depends though on world developments and it needs a breathing space so that restructuring policies can be carried out to achieve further expansion and contain unemployment.

# Scope for a further advance

ly William Dullforce

INLAND HAS a new prime imister, its economic perform-nce has improved and all is uiet on the eastern front, with resident Urho Kekkonen in is 24th year of office ensuring Particularly worrying for the ood relations with Moscow. On ne threshold of the 1980s, inland remains politically able internally and externally hile the current economic ecovery, though fragile. offers me scope for a further lvance in prosperity.

But, as may be expected ith a nation that has had to tht so tenaciously for its dependence and welfare, the cture is not entirely un-Unemployment ains a major social problem. It is better to emphasise the ne economy is critically change in the premiership pendent on outside develop-rather than the change in the ents and, if the present oil isis were to disrupt its foreign arkets, the impact on Finnish

This would be most unfortunate at a time when the Finns People need breathing space to re-Liberals organise the structure of their

On the foreign political side, the Finns as ever are eager to add whatever weight they can to the movement towards detente in Europe. They hope something concrete will emerge from the next follow-up meeting of the conference on European Security and Cooperation (CESP) in Madrid and they welcome the new SALT Two agreement between the U.S. and the Soviet Union.

They are, however, concerned that this agreement could give further impetus to the pressure for the development and deployment in Europe of new tactical nuclear weapons both by NATO and the Warsaw Pact countries. President Kekkonen underlined this concern during

Particularly worrying for the Finns in the light of their treaty obligation to prevent any attack on the Soviet Union across their territory would be the advent of Cruise missiles, which would need to pass through Finnish air space to find their targets. These possibilities are shadows rather than realities so far, but their exposed strategic position has taught the Finns to detect dangers to their interests in

good time.
It is better to emphasise the

that the Swedish Party replaces the alongside the Com-Liberals munists, Social Democrats and Centre Party. The more intriguing development is Dr. Mauno Koivisto's switch from governorship of the Bank of Finland to

the Prime Minister's office. reflected in the composition of loyally line up behind Fin-fered a setback in the election, the new Cabinet. The Left lost seven seats in parliament where the non-socialists now have a 113 to 87 advantage, the Kekkonen, who directs the biggest majority they have country's foreign affairs, enjoyed since the 1962-66 parliabelieves that broadly-based

Minister and a Cabinet in which the Social Democrats and Communists hold as many seats as the non-socialists, represented by the centre party and the Swedish People's Party, with an independent understood to have leanings towards the Centre Party thrown in as a sop to public opinion.

#### Victors

The big victors of the election were the Conservatives, who increased their representation in there after the Social Democrats Democratic League (35). The nevertheless Conservatives remain in opposition.

Holkeri. leader, was given the first try but this was little more than a konen's side: It was recognised from the beginning that he had no chance.

suspect in Moscow. President Socialist representative.

Does this mean that the rela-tionship with the Soviet Union the undermines democracy in Fin-Finland's pluralistic democracy Communists are split into a At 55, he has come a long nationalist majority and a way since he started work as a Stalinist minority of 11 who carpenter in his home town of

Government). The Conservatives can block parliament from 35 to 47 to highly-controversial legislation is now an intellectual, a man become the second largest party such as changes in property of wide-ranging and sometimes rights under the constitution, (52) but well ahead of the which requires such legislation Centre Party (36) and the to have a five-sixths majority in mainly Communist People's parliament. Efforts are being made to amend the constitution but have not yet succeeded.

oppose participation in

Conservative which together lost 16 seats, and in large measure for the the first try Well, the former Premier, Mr. decline in the inflation rate.

more than a Kalevi Sorsa, the Social Demo
Dr. Koivisto has won the congesture from President Kek- crat leader, and Mr. Johannes Virolainen, the Centre Party leader, are not in the new

It is difficult for outsiders to
see how the election result is

On the other hand, the Centre
Party gets six of the 27 Cabinet The election showed a reflected in the new Govern-posts and takes over the key distinct swing to the Right ment. Foreign policy provides Finance Ministry from the Social which has been only marginally the clue. Although they Democrats. Although it suf-Democrats. Although it sufland's policy towards the Soviet it has gained strength in the Union, the Conservatives are Cabinet as the main non-

These explanations are comaffairs, mon currency in Finnish comment on the formation of the All the same Finland now has Right are needed to give devious even to many Finns' Social Democrat Prime authority to Finland's foreign ears but they represent Finnish policy

> election brought Dr. undermines democracy in Finkofvisto unexpectedly back to
> land? It imposes restraints but the premiership. He is generthe most critical in Finnish
> the premiership. He is generthe most critical in Finnish
> the premiership.

> > service at the age of 22 to catch up on his school education. He idiosyncratic ideas which frequently disconcert his party

more remarkably considering the effect of his policies on the employment situation, the opinion polls put him second only to the President in popu-

larity among the Finnish people. It is difficult to explain his standing with the public except as recognition of his personal There are many implications in President Kekkonen's unexpected decision to nominate Dr.

Koivisto. Not the least is the advantage the premiership could give Dr. Koivisto when a new president has to be elected in 1984. By then Dr. Kekkonen will be 83 and it is assumed reality and are understood.

Finally, there is the fact that the would not wish to continue after 28 years in the job.

Finland's pluralistic democracy ally regarded as belonging to politics during the 1980s, functions in its own way. The new Government commands the support of 122 of the 200 permarily a political personality members of Parliament (the in his own right. ally because it was supposed that his relations with the carpenter in his home town of Russians were not too good— Turku and returned from war but he has taught himself

#### **Popularity**

Although the President has not explained his decision to call on Dr. Koivisto, other con-He has exerted a powerful siderations could be his influence on the economy as popularity and his firm handling Governor of the Bank of Finor economic matters, both of rather than the change in the government prompted by the general election last March. Government to be formed after the new Left-centre, for party the election—about par for coalition is the same as before Finnish politics. Mr. Harri Centre Party and Liberals) in Finland's payments balance which could be important assets at a time when the restructuring of the economy calls for determined and possibly unpopular politics.

By accepting the job Dr. Koivisto is undoubtedly taking gamble. His popularity will be put to the test; the economic situation may prove to be mtractable; he will be much more exposed to the political machin-ations of rival candidates; and there are still over four years to go to the Presidential elec-tion. Some Finns believe Dr. Kekkonen had all these points well in mind when he nomi-nated Dr. Koivisto. The new

Premier is very much on trial. The fact is that, despite his sterling qualifications, Dr. Koivisto can fail. He is very much a loner, sometimes even eccentric. He has never been clever at dealing with Parliament; he has not courted support within his own party and his relations with the trade unions have not been close. He will have to develop the political sense he has seemed so far

to lack. Already he did not disguise gramme he had to accept as the year to 7-8 per cent. price for stitching together his coalition. This programme may have little practical value, but it is the Centre Party's and Communists' alibi to their supporters for collaborating in the Government and a convenient reference document should they or others wish to break up the coalition later.

Dr. Koivisto, if anybody, should understand the present needs of the Finnish economy. Bank of Finland that the cur-CONTINUED ON PAGE III

BASIC STATISTICS 117,945 sq. 1

305,475 sq. km. Population 4.74m

(1977) GNP (1977) FM119,41bm FM25,190 Per capita GNP

FM32.3bn Imports (1978) Exports (1978) FM35.2bp Imports from £349.1m

UK (1978) Exports to UK £636.3m

Currency=Markka f1=FM8.26

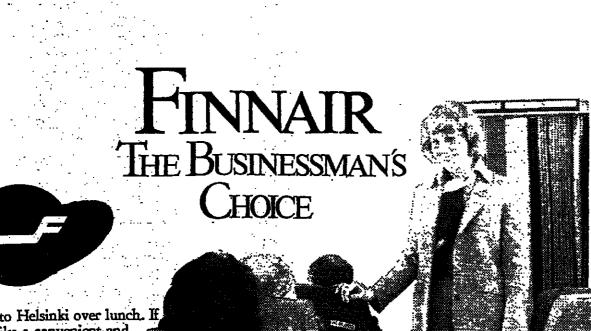
in 1975 approaching a deficit close to 10 per cent of GDP. The rate of inflation has also his impalience over the vague been successfully reduced from and wordy government pro- a peak of around 17 per cent a

The emphasis over the past two years has been on improv-ing the competitive position of Finnish export industries and bringing about an export-led recovery. This has been suc-cessful and forecasts for economic growth this year vary from 4.5 to 5.5 per cent, in any case above the average anticipated within the OECD countries. Expectations for 1980 are needs of the Finnish economy. more cautious, but most econo-It has been due largely to his mists believe Finland can use of monetary weapons at the achieve a further 3 per cent expansion in output then, prorent account has been brought vided there are no further dis-

EXTREMOY

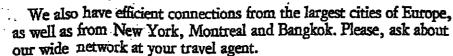
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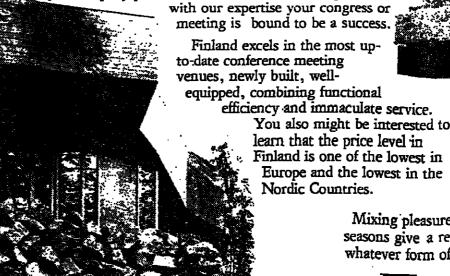
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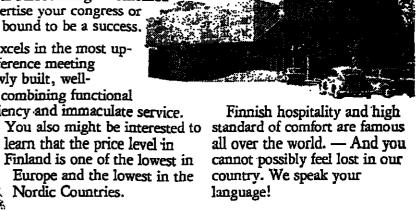
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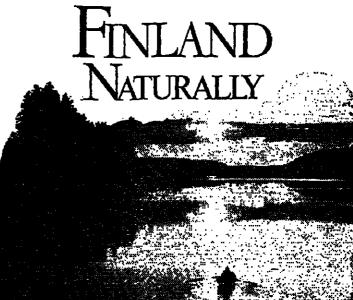
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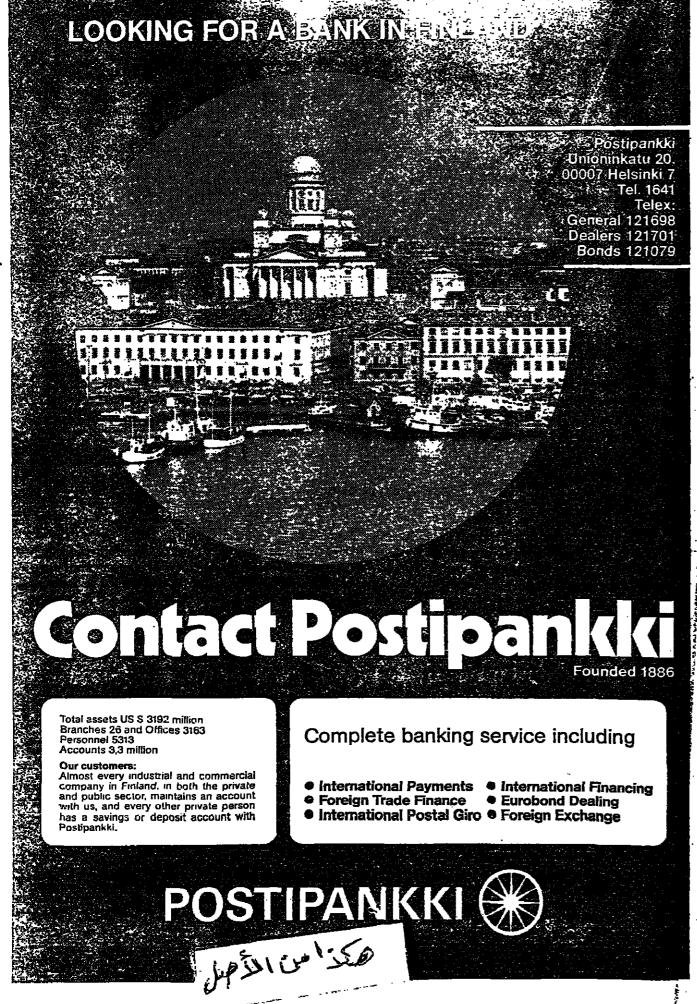
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# Economy emerges from recession...

industrial groups discloses what industrial groups with the conomic result was not satisfactory. The explanation for the minture of the property of the satisfactory of the property of the satisfactory.

the changes for imports are 5 and 16 per cent respectively. The trade surplus was a whopping FM 2.8bn (£350m). the balance on current account FM 2.3bn, and the promise is that both surpluses will be substantial again this year, if not as striking as in 1978.

The foreign currency reserve has once again fluffed up into a comfortable pillow instead of the worn strip of covering it has been for years. It looked as

THE PAST 12 months has seen the Finnish economy claw its way out of the worst slough of recession it has sunk into since World War II. The next 12 months promise a chance of consolidation on the firmer ground now attained. Beyond this foothill lies undulating territory that cannot be surveyed with any certainty yet.

It is little wonder that industry views the immediate past and future with an ambivalence that verges on schizophrenia. A random selection of the annual reports for fiscal 1978 of the largest Flunish industrial groups discloses what it of the debt was industrial groups discloses what it of the debt was industrial groups discloses what it of the worder and the firmer supply some 70 per cent of internal company to financing to turnover was down to 5 per cent, against 10 per cent of internal company to financing to turnover was down to 5 per cent, against 10 per cent of net share of the new "prosperity" 1980, and this would eliminate that has temporarily come to the sales. The debt ratio (external industrial groups discloses what industrial groups discloses what in the torious and continuous indications in the tinns, and even between the tunions, and even further, and the price of internal tine in the tunions, and even between the tunions, and even between the tunions, and even between the tunions, and even further, and the price of first first wither may also rise. The even further, and the price of further, and the price of farther, and the price of farther with an amount of inflations and countries of the wood-processing industries (CFI), the wood-processing industries of the wood-processing industries. The employer

#### **Factors**

The newly published quarterly survey of the Ministry of Finance Economic Department lists the main factors of tmeertainty which threaten the maintenance of current growth rates. They are international accounting to the next round of collective harming which will factory. The explanation for the mixture of relief and disappointment is not hard to find. The dawn of 1979 was bright. After two years of stagnation, Gross Domestic Product grew by around 1.2 per cent in 1978 and the forecast for this year is a 5.0 per cent increase. Exports expanded by 13.8 per cent in value and should go up another 11 per cent this year; the changes for imports are 5 policy in the longer term. The programme contains a passing reference to the importance of security and other benefits— long-term planning for cor-porate investments, but indus-per cent of wages paid for try is not impressed with this actual work done.

sop. Prime <u>Minister</u> Koivisto is on record as saying there is an understanding of that the greatest threat to the the realities. The problem is to economy for the near future is convince the rank and file, and inflation. This view is shared it is exacerbated by the personal by the private sector, yet it is ambitions of some union leaders hangh inflation was licked—it showing unusual optimism that as held to 7.6 per cent in inflation can be kept below 9 groups of labour that can hold inflation contained red to a calculation by the CFI, the increases in oil prices already are unions and union federation is very high for the net foreign debt. The net foreign debt 27.3bn, 23.4 per cent to manufacturing costs sumer prices.

mated at 10.5 per cent, to which must be added an assumed wage drift of 3 per cent to 4 per cent. The estimates for the nominal and real increases in the dis-posable income of households are 12 per cent and 4 per cent

collective bargaining which will probably begin in earnest towards the end of the year. If the increases in nominal wages country, uncertainty about and wage-related costs can be economic policy and incomes kept within reasonable limits, policy in the longer term. The new Government's economic restrained. Wage-related costs -statutory and voluntary social security and other benefits -

At central federation level on both union and employer side

export profits levy on the forest industry. Neither measure would improve the precarious international competitiveness of export-orientated industries, but the new Government says that resort to a revaluation cannot be

Mr. Gay Ehrnrooth, President of the Board of the CFI, says: hospital. We must have a little time now to put the house in order without outside interventions. To recover, we need two-three years of times like the

The industrial sector con-cedes that 1979 will be a good year. Even if the U.S. economy slides into fresh recession in the autumn, the European market 1980. It is the uncertainty about 1980 that reinforces the lack of propensity to invest that already spare capacity. It looks as though autumn 1979 will bring firmer forecasts of how the American economy-and via that route the European-will move. Until then industry in Finland and Mr. Koivisto's Government are going to move

Lance Keyworth

# ... but future strategy remains uncertain

..! 2 post-war period as had one of the E. eco: omic growth records .. the OECD. In the quarter entry from 1950, for instance, the per capita growth in Fin-. \_d's GDP was higher in every five-year period than was

During those 25 years the puntry moved from a basically gricultural society with 46 per reat of the labour force engaged n primary production into an conomy in which services emoloy 52 per cent of the labour

The percentage employed in the manufacturing and construc-tion industries has risen in the same period from 27 to 35 per cent. It is almost as if Finland had jumped over the industrialsation phase and yet it has been industry which has generated the growth in wealth. This relafive affluence was achieved at the cost of some dislocations and structural weaknesses, which were exposed when the world depression hit the country in

The most prominent weakhesses to appear have been un-memployment and susceptibility to imported inflation. Firm guidance from the Bank of Fin-fland has brought the inflation rate down to the average for the OECD and the number of jobless s falling this year after hitting a post-war peak in 1978, when it averaged 7.5 per cent of the labour force.

#### Marginal

But the improvement in the unemployment rate is only marginal and the chances of bringing it below five per cent during the next five years or so are slight. With hindsight it is now evident that, impressive as it has been, Finland's economic growth has not been able to provide jobs for all. This fact had been discussed by impressive emissation. guised by large-scale emigration, in particular to Sweden where until the depression it was relatively easy for Finns to take advantage of the free Nordic lahour market.

labour market.
Finland's growth has been to
a large extent financed by
foreign borrowing, which has
sustained a very high level of
investment in both the infrastructure and industry. With a net foreign debt still around 20 per cent of GDP, it will not be possible for Finland to revert to a policy of running a large current account deficit in the

In a study of the mediumterm prospects up to 1982, the problem. Independent Research Institute. The s of the Finnish Economy recently charted the trade-off between employment and the current account balance on assumptions which included a 3 per cent volume growth in the economies of Finland's main trading partners, moderate domestic wage increases and a rate of inflation averaging 6-7 per cent a year.
It found that the unemploy-

ment rate might be reduced to about 5 per cent by traditional demand management measures. if current account deficits of the order of 2 per cent of GDP were

An industrial committee set up by the Ministry of Trade and Industry estimated in a preliminary report last month that annual growth rates of 5 per cent in GNP and 6 to 7 per cent in industrial output would be needed to have any significant effect on unemployment in the 1980s. It was sceptical about the chances of reaching these targets.

Finland's raw materials are its trees and minerals. The lack of new ore discoveries limits the possibilities of expanding metal production. New sivilculture programmes have indicated that forest resources are not yet fully exploited but the high cost of wood in Finland is forcing the pulp and paper mills to invest heavily in the new products with greater added value.

In addition to being capital intensive the country's indus-trial development has also been energy-intensive but Finland has so far dealt with energy crises more easily than most industrialised countries and its energy programme should pre-vent any serious bottlenecks from arising during the 1980s. But Finland's major resources increasingly lie in its people, in their levels of education, technical and business skills.

The Finns have opportunities open to them for further growth in the 1980s, not least the advantages that they can draw from their access to the relatively huge markets of both Western and Eastern Europe. To exploit these advantages and retain the open economy they have operated since their independence, they will have to achieve a new co-ordination of Government policy and business incentives.

Government economists and

businessmen at present differ somewhat in describing the options available during the next decade. At the macro-economic level one of the most interesting strategies has been elaborated at the Bank of Finland. It is particularly pertinent hecause the new Prime Minister. Br. Mauno Koivisto, as governor of the bank, developed the theory and prompted analysis of its possibilities. As a social democrat he was primarily searching for a new way of dealing with the unemployment

The strategy was outlined early this year in a study by two Bank of Finland economists, Mr. Heikki Koskenkylä and Mr. Kari Pekonen, Put simply, it involves changing the factors of production so that labour becomes cheaper than capital. Its back-ground is recognition of the fact that the current foreign debt the makes it no longer possible to and the need to increase both finance growth by capital im-

exports is likely to grow more slowly in future.

It also eschews the policy, which would be most acceptable to the Communists and Leftwing Socialists, of heavy central government spending, financed by foreign borrowing, to stimulate demand. Such a policy, it is argued, would almost certainly entail further devaluation of the Finnmark and would have unacceptable inflationary effects.

Instead, the Bank of Finland economists advocate measures both to lower the growth rates in wages and indirect labour costs and to make capital more expensive by increasing real interest rates. It would conceivably be enough to lift controls on interest rates and let them find their true market level. Such measures, it is argued, would improve profitability and encourage investlabour-intensive in ment branches.

#### Incentives

It is claimed that this strategy would enhance the role of small medium-sized businesses and offer them incentives to improve their international competitiveness by introducing advanced technology. This, in turn, would pave the way for increases in new exports, even if foreign markets were to experience a period of slow

Such a strategy would obviously have to be understood and accepted by the trade unions before it could be imple-mented. If Dr. Koivisto is seriously thinking of trying it out, he will first have to sell his idea to the union leaders and then to their members. This might not be impossible: the chance of creating more jobs could be a good selling point. If he succeeded, Finland could be the crucible for an intriguing economic experiment in the

Finnish industrialists have got used to an economic climate in which payroll costs outpace capital costs and in which credit rationing traditionally has been linked with relatively low interest rates. The tax structure has also been linked with relatively low interest rates. The tax structure has also been incidental incentive to running their businesses with a high proportion of bank loans. It is understandable, therefore, if they see the problems and prospects of the 1980s from a some-

what different angle. In a recent study of Finnish industry's long-term prospects the climate for business.

Mr. Juhani Ristimaki, deputy
managing director of the Federathere and there is not so tion of Finnish Industries, also advocated a new mix of labour and capital inputs, but he put emphasis on productivity

ports and the assumption that the capital. However, his views demand for Finland's main did chime with those of the Bank of Finland economists on two key issues: the need to switch investment to light industry and the necessity for a national incomes moderate policy.

In the period between 1960 and 1975 Finnish industry achieved a 6.2 per cent average annual growth in output with a 2.2 per cent growth in labour input a year and a 7.6 per cent annual growth in captal investments. To give a 5 per cent annual growth in GDP in the 1980s Mr. Ristimāki postulates a 6.7 per cent growth in industrial production. This, he estimates. would call for a 10.5 per cent increase in annual investments, if the 2,2 per cent increase in the labour force were maintained.

But, realistically, industry can be expected to raise its labour input by at most 1 per cent. To achieve the output growth target, therefore, an extraordinary step-up in capital invest-ments would be required unless the balance between the labour and capital factors can be improved by productivity in-

Productivity in Finnish industry rose by an average of 2.3 per cent a year in the 1960-75 period. Mr. Ristimāki's figures call for an annual increase of 3.7 per cent during the next two decades. Is that feasible? It would demand at least a signifi-cant change in political attitudes, particularly towards incomes and tax policies and possibly also exchange rate policy. It would scarcely be possible without a change in national invesment patterns from spending on housing and infrastructure to industry.

However, much more could be done by business management and the change in top management which now appears to be taking place in many Finnish enterprises could be a good augury. There seems to be a growing understanding that enterprises can no longer put money into lazy, low-yield in-vestments financed by bank loans. But for a change to be effective the politicians still have to be persuaded of the value of risk capital and higher profitability.

The external influences will continue to be paramount for the small Finnish economy dur-ing the 1980s. The other deci-sive factor will be whether the Finns can bring about the meeting of minds among their political leaders, Government economists and business managers needed to obtain a consensus oneconomic policy and opportunities are undoubtedly there and there is not so wide a gap between the thinking of official economists and business leaders. It is up to the politi-

cians and union leaders. William Dullforce



resident Urho Kekkonen (left) and President Walter Scheel in animated conversation after Dr. Kekkonen arrived in Bonn on his State visit to West Germany last month

# Advance CONTINUED FROM PAGE 1

The price paid for this suc-ssful deflation policy has been of the population. This was a debt many of them have had to remployment, which reached a reminder that a balance has to st-war peak with 200,000 be achieved between the produc-ople out of work. The situ-ion has improved slightly, but e number of jobless is still the welfare state. ing to be very high this year d next. Like so many other untries, Finland has not disvered the management Finland has developed all the thousands to equalise the trade-trappings and the bureaucracy between inflation and em-

must try his hand at fiscal

Two recent statements by the nemier have indicated the and of his thinking about both nary pressures may be reviv-

#### Bureaucracy

of the Scandinavian welfare syment, between the external state without quite catching up. Dr. Kovisto has moved from either in the extent of social open of Finland, from which he and effiziency. Finland's political impose monetary diese uld impose monetary disci- cal parties have committed ne, into the hurly-burly of a themselves to the welfare tar-alition Cabinet, from which gets but the recent experience of Sweden indicates, as Dr. Koivisto has been pointing out, that a choice must be made.

Industrial investment is pick-Ind of his thinking about both ing up again but from a very short- and the long-term. He low level and it is by no means s expressed concern that infla- sure that the motivation to invest can be sustained. Despite faster than expected and in the economic recovery, com-television address posed the pany Boards have to weigh up stion of whether the nation two negative factors: the

ptions to the world economy. Should concentrate attention on development of their payroll debt many of them have had to take on during the recession.

Wage settlements have been moderate but the rise in nominal wages this year may well be around the 10 per cent mark and it is doubtful whether the improvement in Finnish industry's unit costs relative to its com-petitors will continue. Probably the rate of inflation will be kep low enough to avoid triggering off in October the wage increases which have been linked to the performance of the cost-of-living index, but the new Government's political cohesion and skills will be tested when a new national incomes agreement has to be negotiated next year.

Beyond these shorter-term considerations loom the strategic adjustments to Finnish industry which most politicians recognise to be required, but on the methods to achieve which they are still very far from reaching a consensus. Finland's impressive economic comeback remains to be consolidated.

# Energy conservation a major priority

dent on imported energy, but by 1990. its main source of supply is close to bome.

The Soviet Union supplies about two-thirds of Finland's imported energy—crude, oil products, natural gas, coal and electricity. Finland pays for this with deliveries of processed goods, not precious convertible currencies. However, Soviet oil prices are pegged to world market prices, so security of supply does not mean cost stability for Finland.

Due to its long, cold winters, vast distances and the energy-intensive character of its main industries, Finland is one of the world's biggest consumers of energy, whether measured in per capita or GDP terms. It has no indigenous oil, coal or natural gas.

In 1978, 73 per cent of the country's energy consumption was met from imports, and this cost the country FM 7.22bn (£900m), well over a fifth of its total import bill. Oil accounted for 50 per cent of the 23.9m tonnes oil equivalent (mioe) consumed and cost FM 5.5bn. The price increases so far this year will add FM 1bn to the oil

These few statistics explain why the battle cries in the energy sector today are conservation and import substitution. They are the fundamental con-cepts of the energy policy programme for the 1980s recently produced by the Energy Policy energy field.

The council appended to its energy report an estimate of energy consumption in 1978-1990, assuming an annual average growth of 3 per cent pated influence into account.

According to the first, the

THE YEARS since the 1973 oil total energy consumption will erisis have brought out in sharp relief the positive and negative features of Finland's energy economy: it is heavily dependent of the second calculation. The import ratio will fall to 60-66 per cent by 1000

For oil and natural gas the ratio changes from 57 per cent today to 50 per cent in 1990 in the first alternative, but goes right down to 34-40 per cent for the second the second.

The council states that the public sector will have to play a more active part in implementing energy policy. Assuming that the conservation targets foreseen are achieved, a saving of 10 per cent in energy consumption is possible by 1990. The targets will require additional investments of about FM 3bn by industry and about FM 7bn by property owners (mainly house oversely). (mainly house owners) spread over the coming 20 years.

Mr. Erkki Vaara, head of the Energy Department of the Ministry of Trade and Industry. says: "Energy conservation so far has been an entirely volun-tary matter. The Government has emergency economic powers to enforce savings in time of crisis. What we need now is laws to cover the intermediate situation between normal and critical.

So-called space heating, essentially the heating of buildings, is a major target for conservation. Space heating accounted for 29 per cent of total energy consumption in 1978.

#### Keduced

Mr. Vaara says that this can be reduced by 20 per cent, saving about FM 800m a year (at 1978 prices) in oil costs over Council, a government (at 1978 prices) in oil costs over appointed body comprising reptue next ten years. It would resentatives of the parliamenalso create about 20,000 new tary parties and experts in the jobs, which is important in the current phase of serious unemployment.

points for action in the Energy Policy Council's programme. The new legislation required involves several ministries and in the GDP. It gives two sets involves several ministries and of figures. The first ignores will take two-three years to the impact of conservation and implement. But there is to be import substitution measures, no dawdling. Regulations for The second takes their antici- new buildings published at the end of 1978 call for smaller material to handle: monstrous densing power plants burning windows and triple glazing— machines are required to 300, e peat.

double glazing is taken for the stuff out of the swamps that Finally, there is the potential ratio of imported energy to double glazing is taken for the stuff out of the swamps that



Economics in heating buildings and their facilities, such as this pool in a Helsinki hotel, are a priority under Finland's new energy policy

country. The thickness of the

buildings the State will provide sumption by 1990, compared grants in aid of energy conservation. Industry will receive There already are power servation. Industry will receive There already are power subsidies to lower the interest stations burning peat only. costs of building investments Säteri Oy, a company making 3 per ce that save energy, including conviscose fibre, has developed a in 1982, version to domestic sources of method of feeding peat directly More fuel. At present, industry accounts for 42 per cent of total energy consumption.

The scope for import substitution is limited, for the only about the potentials of peat alternative indigenous sources liquification. Research work on are peat and wood now that the this has been taken quite far on economically harnessable hydro- a pilot plant in the United power has been almost com- States. Mr. Vaara has proposed There are more than 100 pletely utilised. Finland has a that the U.S. now help to finance reserve of small-sized trees whose biomass will yield land. 2.5 mtoe annually, more than And 10 per cent of the present con-progr

this biomass are under investigation. Peat is a bulky, clumsy

this northern cover almost one-third of the of nuclear energy, For basic repairs to old per cent of total energy con-

> to oil burners, after the fuel has been reduced to pellet form in a flash drier.

Mr. Vaara is enthusiastic trials on a factory scale in Fin-

Another item on the energy programme priority list is insumption of primary energy.

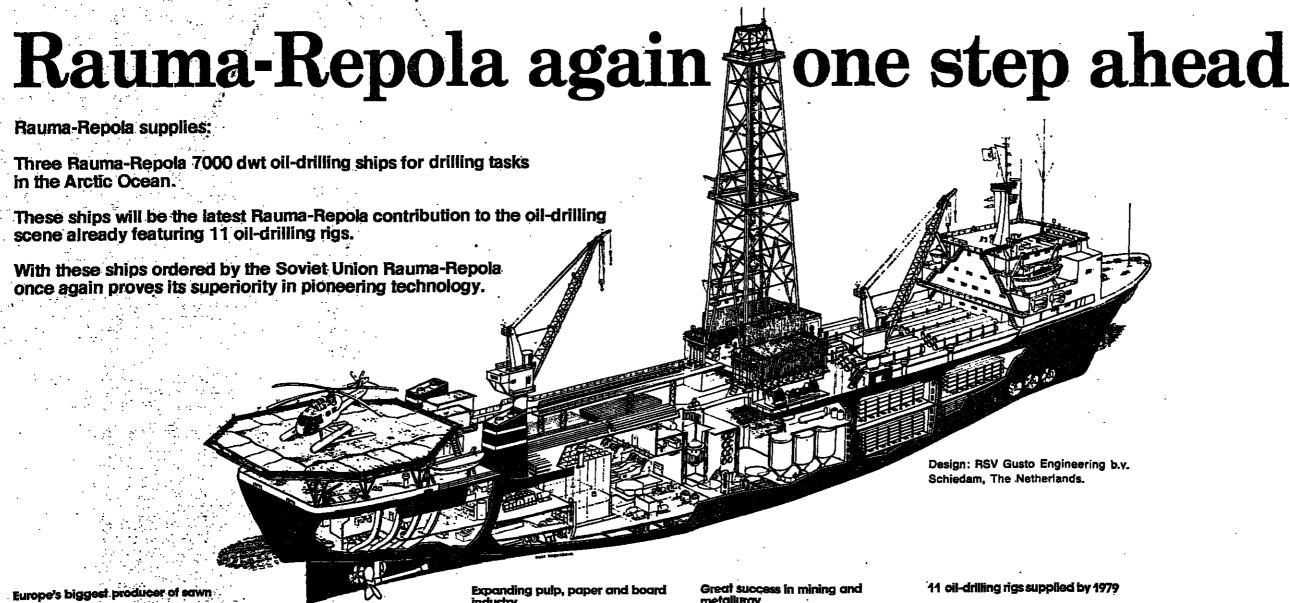
The economics of harvesting creasing the capacity of district heating from peat-fuelled plants. A study is in progress on the economies of 100-200 MW con-

land area of Finland. However, Soviet-built 420 MW nuclear insulation in external walls is the council programme foresees plant already working, its twin to be doubled. that peat could account for 7-10 coming into production this year and the two 600 MW Swedish-built units coming into production soon will raise the proportion of nuclear energy in total energy consumption from 3 per cent today to 12 per cent

> More work might be done on exploring the uranjum deposits in Finland, including deep drilling and the feasibility of ore enrichment. Finland has an agreement in principle with the Soviet Union for the delivery of a third nuclear power plant, this time a 1,000 MW

> The present view is that this boost to energy production will not be needed until the end of the 1980s at the earliest. What is needed now is a study of the economics of adding 1,000 MW to the net by nuclear or conventional power plant

> > Lance Keyworth



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and 60,000 tons of bisulphite pulp a year, together with 280,000 tons of newsprint and other printing grades. Extensions to the mill, to be completed in 1981, will increase capacity to 400,000 tons

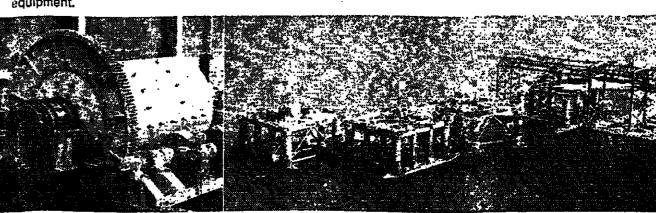
#### metallurgy

The rapidly expanding production of machinery for the mining and metallurgical industries has won the company large orders from all parts of the world. These include graining mills, filters, mine trains, blowers, furnaces and other related

The special facilities provided by the Mantyluoto Works on the coast of the Gulf of Bothnia are important to the company's three shipyards specializing in tankers, cargo and roro vessels, ice-strengthened polar tankers, refrigerated ships, replenishment ships and sea-supply systems, small ships, deck machinery and marine boilers.



RAUMA-REPOLA





# Architect of its own fortunes

DURING HIS recent visit to years previously in Helsinki nology. There is a parodox, here new, high-tension area in with the USSR. Finland's the Federal Republic of when Dr. Kekkonen launched because, while the Finns wellows a forther the Conference on Security and come the new agreement as a prod the other Nordic countries, balancing act between rival konen gave a forthright and Co-operation in Europe move in the direction of detente, including NATO members Norkonen gave a forthright and konen gave a forthright and unabashed explanation of Finland's foreign policy to the Ubersee Club in Hamburg. Finland needed neither guardians nor sympathetic "understanders." The architect of its own fortunes. Finland was a member of the European family looking after its own basic national interests. national interests.

President Kekkonen objected to the stereotypes in which Finland's image has frequently been cast abroad and to the persistence of the idea that the European countries outside the two great military alliances were helpless neutrals open to pressure. He was referring specifically to the "Finlandisa-tion" concept, which has been common currency in West Germany and which assumes that Finland is fundamentally little more than a vassal of the Soviet

He scored a point of particuthree capitals of the European countries involved in the second world war which had not been occupied by hostile forces (the other two were London and Moscow). Finland's political institutions had remained intact.

The President in fact was signalling the remarkable success of Finnish foreign policy in the post-war period. a policy which for the past 23 years has carried his own signature. In Finland the President is directly responsible for

Finnish foreign policy is ponderous, as obdurate as the granite forming most of the country and as unchanging as its vast expanses of forest and lake. This is an expression not only of the national character but also of geography, for as a border country to the Soviet Union its independence and the survival of its pluralistic democracy have depended on the credibility and consistency of its policy.

Anyone looking for new ideas in President Kekkonen's Hamburg speech will have been Currently the Finns are con-disappointed. The claim that cerned about the development Finnish foreign policy had

Co-operation (CSCE). Persistence is the hallmark of Finnish policy.

mark of Finnish policy.

This persistence proceeds from Finland's fundamental objective, which is to preserve the status quo in Northern Europe. President Kekkonen pointed out in Hamburg that the treaty of friendship, cooperation and mutual assistance between Finland and the Soviet Union does not constitute a military pact. It does, however, oblige Finland to prevent any attack on the Soviet Union through Finnish territory and provides for military consultations, if any such attack is threatened. The treaty, signed in 1948 in the aftermath of the second world war, specifically mentioned Germany.

In the light of this treaty.

In the light of this treaty. Finland's interests are tightly linked to keeping Northern Europe an area of stability and low tension. To be of advantage to the Flans any move away lar relevance to his German to the Flnns any move away listeners by reminding them from the status quo must be that Helsinki was one of the in the direction of detente and disarmament.

#### Theory

Finns are not too happy about Soviet Union either from airthe theory of the Nordic craft or from naval vessels off balance, the idea that a well the coast of Norway. Their armed and neutral sweden flight paths would cross Sweden between Finland, tied by treaty and Finland, to the Soviet Union, and the two NATO members, Norway missiles wou and Denmark, somehow creates an equilibrium in Northern Europe. A balance of this kind, the conduct of foreign affairs and Dr. Kekkonen's long reign has given them an unparalleled —such as the build-up in the Soviet base in the Kola Peninsula-which would call for a response from the other side.

The Finns would prefer any change from the status quo to Dr. Kekkonen has persisted with the idea of creating a nuclear-free zone in Northern constantly alert to any changes countries.

Currently the Finns are conof tactical nuclear weapons by become "a positive and perman-ent constituent of the system possible effect of the SALT 2 of balance in Europe," for in-agreement between the USSR stance, had been made eight and the U.S. on weapons tech-

they are nevertheless worried that it may prompt the two powers to develop new weapons before they can get on with negotiating the next SALT

tion of new nuclear weapon systems to the European scene. There was already evidence of a new armaments spiral which

This is one reason why the could be fired at targets in the

Intercontinental ballistic Ustinov's move has been missiles would also cross the interpreted within NATO as a Nordic countries but at great height. Cruise missiles snaking across the landscape at heights of 50 or 100 metres would amount to clear-cut intrusions of the air space of neutral countries such as Sweden and the

The American attitude is that the Finns have no reason to believe that cruise missiles will be a linear development intrude on their air space but towards detente. This is why Finland has a legal obligation to prevent any attack against the Soviet Union across its territory. Cruise missiles would, therefore, Europe recognised by both the add a new dimension to the super powers and why he is strategic situation which could conceivably prompt the Russians in weapon technology or in the global strategic balance which could involve the Nordic and shooting them down before in a defence system for tracking and shooting them down before they can reach targets inside the Soviet Union.

In practical terms there is little the Finns can do to prevent such a situation arising

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throughout the country.

way and Denmark, to adopt a through which Finland could combined front against the both bolster its own security introduction of the weapons.

Moreover, the situation is hypothesis and work within the world community.

#### Reminder

President Kekkonen's Ham-burg speech did, however, contain a reminder to his audience and to the super powers that Finland, although a distant, border country, is an integral part of Europe. The integral part of Europe. The implication was that as a "positive and permanent constituent of the system of balance in Europe," neutral Finland could not be subjected to change. In other words, any attempt to change the status of Finland would disturb the balance. That applies to the Soviet Union as much as to the Western powers.

might hold joint exercises. The suggestion was made informally and privately but caused some-thing of a furore when it was leaked and became public.

warning to Norway not to go ahead with plans to stock heavy equipment for NATO reinforcements on Norwegian soil and to go slow on combined NATO exercises in Norway. The Finns discount this interpretation. They believe it was simply a "mistake" by the Russians. a misinterpretation of the reaction it would arouse in Finnish public opinion. The Finns believe the Russians have

since realised their mistake. Finland's exposed strategie situation shapes its foreign policy and the relationship with the Soviet Union is central to it, but it would be wrong to emphasise only the problems this situation produces. Finland benefits substantially from trade with the Soviet Union and from the free trade agreements it has with both Western and Eastern Europe.

President Kekkonen said in apart from emphasising the Hamburg that he could even danger that the development of see moral values in the modus such weapons could create a vivendi Finland has developed Hamburg that he could even

thetical until the full terms of the SALT agreement are known and its effects become apparent than in almost any other country. It is the cement which binds all political parties from the majority wing of the Communist Party to the Conserva-tives because, whatever the nuances, they all recognise the fundamental realities involved in ensuring their country's continued independence. broad consensus should ensure that continuity in Finnish foreign policy will be maintained when President Kekkonen leaves office in 1984.

Hilary Barnes



President Kekkonen (left) and Marshal Dmitry Ustinov, Defence Minister of the Soviet Union, meet at the Presidential Palace during the Soviet Minister's visit to Helsinki last July

# Finnish officials do not disguise their fear that the Americans may develop the cruise missile and introduce it as a standard weapon to their armed forces. These missiles could be fired at targets in the Soviet Union either from the Soviet Union was illustrated when Marshal Ustinov, the Soviet Union was visit to Helsinki last July that the two countries armed forces armed forces armed forces are soviet Union either from the Soviet Union was illustrated when Marshal Ustinov, the Soviet Defence Minister, suggested during a visit to Helsinki last July that the two countries armed forces armed forces armed forces armed forces are soviet Union was illustrated when Marshal Ustinov, the Soviet on the markets

the Finnish banking system that of Postipanki, the post office loans to the public exceed debank, which is banker to the posits from the public. There is Government. nothing very mysterious about it, of course. The difference is made up by bank borrowing from the central bank. But for first time for years the situation is currently moving towards balance.

This helps to explain a number of important innovations in credit policy. During recent years the central bank has ex-ercised control over domestic credit by regulating the size of the following quota, but this month the quota was reduced from FM 500m to FM 200m. Not long ago the quota was several billion markka.

The central bank has theresystem. The system was actirated in two stages and reserves are now 0.80 per cent of de-posits. Further increases are expected since liquidity is currently growing fast as a result of a current balance of payment surplus and substantial capital imports.

Interest rates are politically fixed. The discount rate is 7.25 per cent; the only market in coming increasingly important. Its primary function is to even out liquidity differences between the banks and to take account of seasonal variations at an annual rate of over 20

It is, however, also being used per cent in the first quarter. is a means of soaking up liquidity generated by the Government budget deficit.

The total sum of outstanding sion to carry out foreign busicall money debt was increased ness in 1970, and this business

IT IS a slightly eccentric trait of incorporation into the market portant role which the bank general manager of Unic

As Government finances have

sometimes come close to the point where next month's wages were in danger, Postipanki has had to maintain a very high liquidity ratio. The access to the call money market is intended to ease the position which arises for both the Government and the bank when the Government gets its liquidity forecasts wrong.

The other commercial banks may feel that this is a new move first Nordic bank with a normal interest, but it is regarded to increase Postipanki's competitive edge, although the central bank insists that the inia-are represented by the Nordic license foreign banks. tive was entirely its own. The State-owned Postipanki has an

#### Fluctuate

12.5bn at the end of 1978 (com-pared with FM 16.2bn and in New York. Union Bank is FM 16.0 bn for the two main commercial banks, Kansallis-Osaki-Panki and Union Bank), develops before taking a similar the bank is not subject to the step. Skop, the central bank bank inspectorate but to the for the savings banks, has also Ministry of Finance. It does decided to open a representative which interest rates are flexible Ministry of Finance. It does decided to open a represent is the cold money market, not have a credit quota with the office in London this year. is the cold money market, not have a credit data which is the second new instru-ment of credit control. It was follow central bank credit Bank all have wholly owned bolicy, but in practice its for-subsidiaries in Luxembourg tunes tend to fluctuate with are healthy today Postipanki has been able to increase its lending

Postipanki has increased its international business especially fast. It only obtained permishas now grown to FM 7.4bn a are doing some export promo-year. This reflects the imtion," said Mr. Erik Stadigh. FM 5bn, mainly to facilitate the year. This reflects the im-

plays as banker to large indus. Bank's international division. trial and commercial customers. While the Finnish banks a a business it has developed going abroad, foreign banks a strongly in the past few years, not permitted to operate partly on its own initiative but Finland except with represent also with the leverage of the tive offices. The new Bank A recently established State In- which came into force in 197

into a wholly owned subsidiary This will make it the

Consortium Banks. Kansalles and Union Bank Deficit fore developed other instru-ments of control. In March it banker to the Government but recently. They began 15 years introduced a cash reserve as an increasingly aggressive ago together with other Nordic competitor to the other banks, banks in forming the successful Nordic consortium banks. Kansalles is joining Copenhagen

Handelsbank and Den Norske With total assets of FM Creditbank in Svenska Handels-

> which are used to assist Finnish business in Europe. Bank has taken an interesting initiative this year by setting up a team in Luxembourg as a corporate service unit. job is to assist small business by finding export channels and connections. "We know so many companies with a good product but no marketing, so we

While the Finnish hanks a vestment Fund, set up under did not change this situatic the Ministry of Finance and but a new Companies Act administered by Postipanki to going through Parliament approvide soft loans to industry, this will allow the Governme Postipanki is setting up a to license foreign banks fre representative office in London January 1, 1980. Mr. Ju this year and plans to turn it Linnamo, director of the ba inspectorate, said that seve: foreign banks have express

The banks are now operati in easy liquidity conditions a result of a payments surp and a Government bud, deficit, which is being financ to a considerable extent

Under former governor, no Prime Minister Mauno Koivis the control of credit expansi played a crucial role in bringi savings and investment ir balance and thus eliminati the current external deficit. B the rate expansion of bo bank deposits and bar Skop, Kansalies and Union advances is again rising to the Bank all have wholly owned beginning of the 1970s. deposits rose by 14.6 per ce in the 12 months to Mari (commercial bank deposits ) 17.2 per cent) and advances l

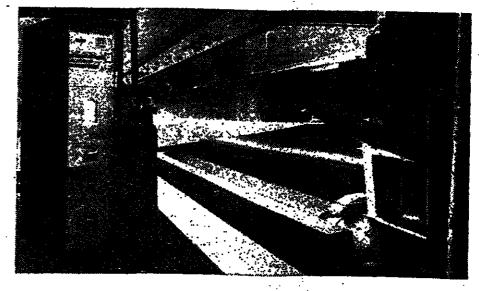
11.2 per cent.
The authorities have giv plenty of indications of th a tighter grip on credit expan

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# USSR still heads the the trade list

FING IDLY through the s of old files in the Comrcial Department of the nistry for Foreign Affairs, an tcial was struck by the fact if 100 years ago Finland's trading partners were ia, Germany and the United

oday, the ranking list is the net Union, Sweden and the leral Republic of Germany. Isla has fallen to fourth re: As far as anyone can esse in these uncertain times, order will stay the same oughout the 1980s.

)ne thing seems certain, and t is the continued preninance of Western Europe
EC plus EFTA) in Finnish aign trade. This area took ut 60 per cent of Finnish orts and supplied about 57 cent of Finnish imports in cent of Finnish imports in

be Soviet Union's position at head of the field is probably scalable now. The only stion is by how much this I will lengthen.

innish-Soviet trade is about planned and organised as it be in the face of soaring oil es, gyrating exchange rates the looming problems of th-South trade. It is still ed on five-year framework ements with detailed lists of orts and exports. These are 1 translated into still more niled lists year by year.
iperimposed on this is the nish-Soviet Long-term Pronme for the Development Intensification of Economic. imercial, Industrial, and ntific and Technical Coation until 1990.

ion and investment plans its exchanges of goods with

is also intended to take out slack that comes at the nning and end of each vear period. There is lly a lag time before longdeliveries (icebreakers, lines for pulp and paper and so on) get under way, another at the end of the car period when the long-contracts have been

2 Finnish engineering and uilding sector is experienclag now as the 1976-1980 for the 1981-1985 period just started and should be uded early in September. out two-thirds of Finland's ly imports come from the t Union, including most of rude oil. The oil is sold orld market prices, and what havoc the oil crisis sed on the most carefullyds 1966-1970 and 1971-1975. the earlier period Finnisht trade increased by the average of about one-but in the second the ase was no less than 117 ent. The trade is bilateral.

the trade must be kept ly in balance over each ip its exports to the USSR

volume of oil imports did

ncrease significantly, but



Finland is looking for a 4 per cent economic growth rate. A scene in Lassila and Tanoja, a factory at Seinajoki, Western Finland, which manufactures shirts dresses and trousers

to pay for its swollen energy bill. It suited the Finns well enough, for the alternative would have been to find convertible currencies and join the scramble in the free energy market.

nis programme was signed
May 1977. It must be
So far, exports to the Soviet
Union have been mainly manused that it is a programme, factured goods and building
an agreement. But it is
cted to help Finnish
stry make longer-term proless and investment plans
ducts — two-thirds comprise have been chiefly primary products — two-thirds comprise crude, oil products, coal, coke. natural gas, electricity, and nuclear fuel services. As long as the trade is bi-

lateral, and as long as oil prices rise, Finland will have to find other goods to buy from the Soviet Union, which is anxious to step up its sales of more

processed products.

According to the target estimates given in the long-term programme, Finnish imports of Soviet machinery and equip-ment will be increased consider-ably in the five-year period 1981-1985, but even then will account for only 5 per cent of

The solution to this problem will be one factor influencing the Soviet lead in the Finnish foreign trade lighings. At present, the Soviet Union accounts for nearly one-fifth of total Finnish foreign trade turnover. It seems likely that this will increase to a full 20 per cent this seems.

cent this year. How much the lengthen will also depend on plans can be seen in the another factor, according to a tics for the two five-year senior Finnish official. This is the state of the economy of the West European countries that make up Finland's most imporpast has been that when exports to Western Europe expand, exports to the Soviet Union show "normal" growth Present OECD forecasts point towards a recession in the next year or so rather than a reinforcement of the current upturn.

Finland is satisfied with its agreement on free trade in in-

dustrial goods with the EEC Finnish builders, consultants, and is looking forward to 1984 when the last tariff barriers are dismantled, especially for paper So far, exports to the Soviet Finnish official put it: "We wish inion have been mainly manuctured goods and building."

Inen the headache is Now they are looking still further afield.

Recently then the African mainland.

Now they are looking still further afield.

Recently then the U.S. and Canada the beautiful for the U.S. and Canada economic health, because they

> When the U.S. economy catches a cold, both U.S. and Canadian producers start offloading their marginal surpluses of paper in the West European market, and they are highly competitive although Finnish exporters are more or less playing on their home ground in Europe.

will consume all the paper they

#### Preferential

produce.

This lent added importance to the last round of GATT negotiations in Geneva. Finland came away "pretty satisfied." Its preferential treatment within the Common Market vis-à-vis North America was maintained, and the todes on non-tariff barriers

At Finnish exports in project marketing in overseas — as opposed to European—markets.

engineers and others have won a firm footbold in the Middle East oil-producing countries and

Recently they won two large orders in the Philippines worth FM 1,100m (£138m), one for a complete pulp and paper mill, the other to open a copper mine. More orders are in the pipeline. The Latin market is receiving increasing attention, but not as much as it perhaps deserves.

An economic growth rate of about 4 per cent a year will be required in the 1980s if the present serious unemployment problem is to be beaten. This, in turn, will require, according recent estimale, a 6-7 per cent expansion of exports annually.

The latest forecast for 1979 is a 6 per cent increase in exports, but only 2.8 per cent in 1980. One lunger-term forecast for exports in 1979-82 is an annual average growth of 5 per cent, which is getting near the mark. But it leaves no room A relatively new trend is expected setbacks, such as oil

Hilary Barnes



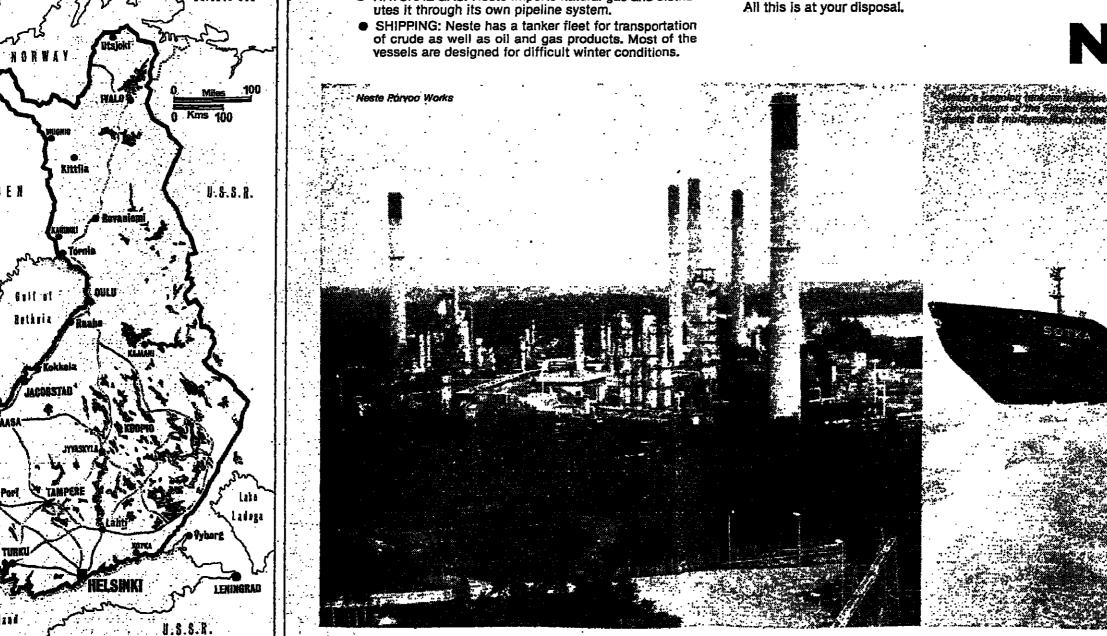
# NESTE Finland's national oil company

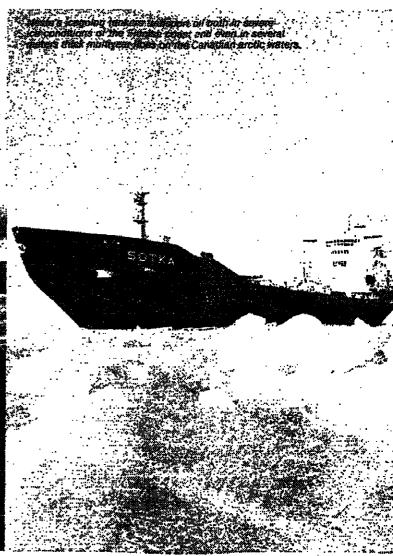
- REFINING: Neste's output of oil products meets three quarters of the demand in Finland. Total annual refining capacity is 15 million tons.
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- NATURAL GAS: Neste imports natural gas and distrib-
- ENGINEERING: The engineering and construction of Neste's refineries and extensive petrochemical complex and associated facilities such as harbours, tank farms, water cooling systems as well as waste water treatment plants have to a large extent been carried out by the company's own Engineering Department.

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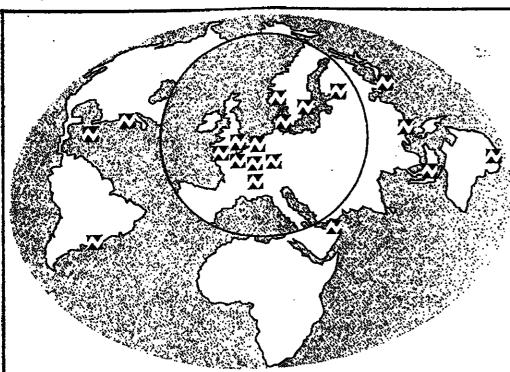
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YIT - an international contractor

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abroad. YIT is active especially in the Middle East (since 1958), and also in Africa.

For a list of references and prequalification information, please contact our Export Division.

YTT's export invoicing amounted to about 103 million dollars in 1978 and today total

Scope of activity

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painting works

tunnelling and excavation

water supply and environmental protection

Paris Manufacturers Hattover Banque Nordique Associated Eank

# Turn for the better in forestry sector.

FINLAND'S FOREST industry increase in 1979 by about 1 per has just emerged from a fourcent to 5.5m cubic metres, year period of severe recession. year period of severe recession. Given that reference point, and discounting the magnitude of the change by the general relief at its long-awaited appearance, forecast for pulp, which might it has entered what might be rise by 17 per cent to 1.8m called a good period. Now there tonnes, and for paper, which are grave doubts about how long that can last. Today's smile of relief may be tomorrow's all too familiar frown of

The conventional method of analysing the short-term per-formance of an industrial sector according to the percentual changes in volume or value can give misleading results when the period of comparison was an "abnormal" one. Given this reservation, here are some numbers indicating the improvement in the results of the Finnish forest industry in 1978-1979.

The year-on-year volume growth of exports in 1978 was 17 per cent and the value increase nearly 20 per cent. The forecasts for 1979 are 7 per cent and 18 per cent respectively. In the course of the current year the volume of forest industry production will return to the 1973 pre-recession level, and the same will be true of the volume of

Sawn goods exports should



Part of the new plantings of trees needed to keep up with the world demand for wood and paper

tral Association of Finnish Forest Industries, likened the have another year of peace in it suffered during the past three

innish forest industry to a ship that ran aground three or four years ago and has recently been refloated. The pumps must water that poured in and upset

economic recession in Finland. In presenting these figures to

the Press, Mr. Matti Pekkanen,

managing director of the Cen-

international competitiveness and the heavy debt load incurred during the pre-recession investment boom which resulted in high debt management costs that increased during the bad years when net earnings were insufficient to meet interest and amortisation payments. amortisation payments,

#### Weakened

Three fairly large wood-processing companies required a massive rescue operation by the private banks and the public sector to save them from bank-ruptcy during the recession years. The largest corporations essence forest industry export earnings. According to one have come through, but much earnings. According to one weakened. Still, even in the 12 months since mid-1978, when the upturn really started, they have managed to get things more shipshape, and the rehabilitation process is continuing apace. The upturn should continue into early 1980—that is that what it is enjoying today has placed a definite order for that what it is enjoying today has placed a definite order for area. the most that anyone will pre- is not windfall pr dict just now-so they should restitution of some of the losses but four more are likely to

so they thought until recently.

Prime Minister Mauno Kolvisto, whose Government took
office in May this year, has said
that a new wave of inflation
that is the past Specifically, the problems are that a new wave of inflation weak profitability, precarious is the greatest danger facing the Finnish economy today. As the long-time Governor of the Bank of Finland he should know, and for a Social Demoaccording to his Government's in 1975. programme. And a revaluation of the Finnmark cannot be

excluded, he said, as a means of containing imported inflation. This observation followed: closely on a demand from Left-

which to continue the work. Or years of deficit operations. It that has been able in the past

> What the forest industry is asking now is to be allowed to get on with its plans for the immediate future without artificial interventions such as re-valuations and levies. It would also like to see some longer-term decision on tax policy. At present productive investments in machinery and buildings will enjoy turnover tax reliefs

until the end of this year. These reliefs were introduced a couple of years ago, but only for short periods at a time, which is hardly conducive to longer term

place orders in the near futu. There are also a couple of co version plans in the offing, fre newsprint to fine papers a from sackkraft to newsprint. the pulp branch, there will more emphasis on t mechanical than the chemic side. Enlargement of sawning, plywood and other boa capacity is unlikely in the ne

Most branches of the forindustry are working at or ne capacity today. World foreca suggest that the consumption paper will increase by average of 3 per cent a ye Thus new capacity will needed, but when Finland w build it depends on what happening elsewhere in

The Finnish watching the North Americ situation closely. If there is recession there later this ye. North American producers v be seeking outlets for the surplus capacity in the Eupean market. As they can s at very competitive pric Finnish producers may fi themselves squeezed once ago in what is their main mark

# ...but problems remain for the 1980s

THE FORESTRY industry which have left them with extra- southern U.S. and Canada. In ally and divides the two mai provides over 40 per cent of ordinarily large debts. The the Southern States, in partiparties in the governing coal
Finland's export income and a external threat comes from the cular, the growing time of the tion, the Social Democrats an substantially higher proportion North American producers, trees is far shorter and planta-of net export earnings. It whose costs are sufficiently low trees is far shorter and planta-exploits the country's largest to enable them to compete on large-scale harvesting. Mr. exploits the country's largest to enable them to compete on large-scale harvesting. Mr. that taxation on forest owner single natural resource, a renew-the West European market. At Aarno Esila of Jaakko Pöyry, is too high and that since 197 able one. Thus, the national a later stage the developing the forest industry consultants, they have experienced both interest demands that the indus- countries, such as Brazil, whose

This premise has to be stated qualities.

when speculating about the prospects for the pulp, paper finances and exposed weak-

Some of the decisions will be political and controversial. They concern the balance between farm and industrial earnings, taxation and exchange rates. They are likely to raise the They are likely to raise the issue of the degree of state intervention in the operating of the forest and the allied processing branches. Most probably the Finns will emerge with the pragmatic solutions at which they usually arrive when a national interest is at stake.

The internal difficulties which the Finnish pulp and paper industry will have to overcome in the 1980s are the high cost Finnish pulp and paper mills and irregularity in the supply start with a severe competitive of their raw material, and disadvantage in raw material financial management practices costs compared with mills in the

try be effective and competitive, fast-growing plantations will costs \$35 a cubic metre at a timber and higher tax charges and public policy in the long give them a price advantage. Finnish mill compared with The Social Democrats, backer run can hardly ignore this will be able to take over some around \$20 a cubic metre in the by the Communists, stress the export southern U.S.

when speculating about the prospects for the pulp, paper and saw mills during the next and saw mills during the next of wood cut in recent years has more than any other raises the The raw material problem is experienced a rough period, fallen short of the allowable cut when few, if any, were running and the annual increment. The at a profit. This period of three MERA programmes to at a profit. This period of three MERA programmes to depression lasted longer than improve silviculture demondepression lastest longer than expected, bit deep into company strated that the wood supply can finances and exposed weakultimate limit is reached.

The industry will enter the The Forest Research Institute 1980s in some turbulence. Its calculates that a 10 per cent shape at the end of the decade increase in the allowable cut to will depend partly on market some 66-67m cubic metres a developments abroad but also year is possible between now on decisions which have to be and the end of the century, made by both Government and Finland has been importing individual companies to resolve annually some 5m cubic metres problems. The better results of raw material from the Soviet expected from this year's trading cannot conceal the difficultinued. the present allowable ties, although at worst they cut would exceed the timber might lead to the postponement requirements of the present of the decisions for a year or industry, even when it is working at full capacity.

The restraints derive from the high cost of the wood and the forest ownership pattern. Costs have been boosted by the political aspiration to provide farmers and forest workers with incomes comparable with those of industrial workers. They are also kept high by an ownership pattern which makes rational harvesting difficult. The average size of a forest holding in Finland is 35-40 hectares.

Under these conditions the

tion sizes facilitate rational, Party. The Centre Party claim calculates that wood under bark

The ownership pattern produces another major problem question of state intervention. It affects the regularity of the timber supply to the mills. Around 72 per cent

Finnish forest land is privately owned, with only about 8 per cent belonging to companies. In the remaining 64 per cent there has been a steady shift in ownership away from working Adjust farmers to people who do not depend on the income from their forest holdings. Their plots have mostly been inherited and are regarded as an object of capital appreciation and a leisure facility as much as a source of income, It is estimated that about a quarter of forest land now belongs to these so-called "passive"

For them the sale of timber is a marginal source of income. They can wait for the peak price or they can fell trees to price or they can rell trees to pay for a heavy investment such as the buying of a house. They are influenced by the relatively high marginal tax rates they will have to pay on their timber sales. Their behaviour does not contribute to a regular supply of raw material at stable prices for the wood-processing branches. This year their resis-tance to the current prices offered threatens some

with stoppages for lack of raw

to work out a voluntary agreement on the volume of supplies as well. It is difficult to see how this could be organised and how it could cover the "passive" The forest industry organisation is currently working on the idea of a price equalisation policy, which by preventing violent fluctuations in price could ensure a more stable supply of wood. The difficulty

they have experienced both

lower returns from the sale o

increase in the value of fores

holdings and the necessity o ensuring an adequate supply of wood for the mills.

The central organisations of

the mills and the farmers, which already negotiate recommend

timber prices, are now trying

A review of the tax system is another suggestion mooted State subsidies are recognised to be a dangerous solution, not least because of the hostility they can be expected to arouse within the EEC. In any case the issue will have to be solved soon, either voluntarily or by State intervention, if the mills are to operate rationally in the 1980s.

would seem to be how to adjust such a guarantee to the fluctua-tions in, say, pulp and news-print prices on the export

Whatever the outcome the whatever the outcome and mill managers know that they will have to live from now on with high raw material costs. The implication is that they will need to develop new product The issue is red hot politic- mixes during the next-decade

CONTINUED ON NEXT PAGE

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All others together

in Finland and abroad.

public buildings

power plants

industrial buildings

roads and bridges

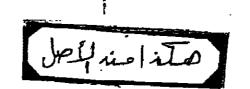
office buildings and hotels

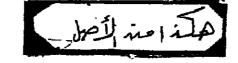
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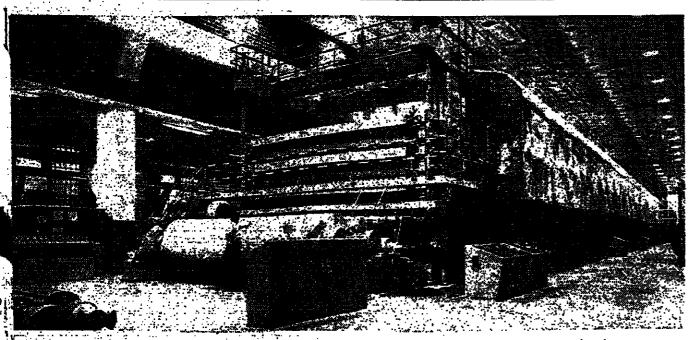
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15.6





#### FINLAND VII



Finnish manufacturers of machines for the pulp and paper industry know they must maintain a technological advance if they are to keep their market share

# Paper machinery sales boom

the Philippines, where ment. Finnish companies shared

rmal work load at least major and expanding source of the end of 1980. About 80 orders. ent are export orders. The

ity in the engineering of mon in the U.S. ines for the pulp and paper Increasingly over the last few try and the Finnish pro- years, however, the Finnish com-

se will involve not only ry of equipment but also assistance and

#### oupings

Finnish manufacturers te in three main groupings.
TVW group comprises ella, a board machine list; Valmet, which con-tes on large, high-speed machines; and Wärtsilä expertise lies in paper ig equipment. Raumaa is a world leader in pulpg machinery and has a ration agreement with

largest paper ne manufacturer. ström specialises in heatich the other members are projects the Finns are now ads Mekaniska Verkstad providing to Sweden's Johnson The Finnish consulting compart of the Kamyr group.

All the Finnish companies are Sweden's Stal-Laval a conglomerates whose forest n contract for a pulp and industry machines are one pror mill on the island of duct sector in a spread ranging anao, but older customers from pulp and paper goods to also been placing orders. e TVW group, for instance, operations. The pulp and paper has an order book worth machinery business was deve-\$325m, which is twice as loped after the 1939-45 world as it was a year ago and war, when the Finns had to pay es the three companies in-reparations to the USSR, and d of being able to operate the Soviet market remains a

North America and the Nordic year turnover could be has sold 13 board machines to North America and in the first npetition on the world two months of this year anet remains tough, however. nounced two rebuilding orders. is still considerable over-

s know they must main panies have been gearing up to a technological advance if exploit other areas of the world. All now have some involvement in Japan and South are making a consider.

America. The TVW group effort in research and de-licenses Sumitoms in Japan and nent both to improve the won its first order there this ney of their traditional year on a market which has ncy of their traditional year on a market which has . Other Finnish companies have lities and to produce new been a traditional Beloit strong-started to sell pulp and paper-

manufacturing bases Gadelius trading company, d and are geared to pro- which is a subsidiary of Svenska he turnkey package deals. Flakt of Sweden. Lif also has an

All major Finnish companies are establishing themselves in Brazil. The TVW group expects The Finnish companies calculate that their main markets

Brazilian Pilao group and the Brasilinvest investment com-pany. This is an investment of need for short-fibre technology

a Brazilian partner, Montero market is not large enough for Aranha, at a neighbouring site one product, they also want a in Campinas. The Kamyr group, in which Ahlström is engaged.

The TVW group. in partihas started producing bleaching cular, has concentrated on plants in Brazil and has developing this type of technoplants in received its first orders.

The \$200m Phillippine conmbustion technology and tract concluded with Manila manufactures newsprint from re recovery processes. It Paper Mills in May this year is short-fibre willow and started up an example of the packaged another newsprint machine in

ing to Sweden's Johnson The Finnish consulting com-and Myrcus Verksted, a pany, Ekono, will hold the

inery manufacturers have equipment for pulp mills. It has one wind in their sails this been estimated that about half them most spectacular evitable for the pulp produced in the world of the world printing papers. Wärtsilä's share of the contract is about one-third and covers the fibre

line, the coating and finishing machinery as well as water and waste treatment plants. Another third goes to Valmet for two paper machines and other equipment for the paper mill, while Ahlström will take

about 20 per cent of the order with its boiler and chemical recovery equipment. The mill is expected to go on stream in the first half of 1982. The Finnish manufacturers can benefit considerably from has been averaging bloc have been the other major having as their compatriots al sales of about \$100m but markets. Tampella, for instance. Jaakko Pöyry, the world's lead-Jaakko Pöyry, the world's lead-ing forest industry consultants, and Ekono. The latter company is also responsible for building a sulphate pulp mill in South Korea, for which two Finnish companies won orders last year. Rauma-Repola delivered the main machinery, worth about \$18m, for the fibre line, while Ahlström supplied a soda recovery boiler, an auxiliary

#### Know-how

boiler and a lime kiln.

the for developing counhold. The group also set up a making know-how. Early this which need to exploit sales office in Singapore last year, for instance, the State-al raw materials. The October. owned Enso-Gutzeit company have continued in the Ahlström sells its pulp-making signed a technical co-operation al raw materials. The October.

have continued in the rear to expand their sales equipment in Japan through the agreement with a Honduras concern. This covers the building of at least two sawmills, constituting the first phase of expect to become increase agreement on paper-making the Olancho project, a \$600m common.

equipment with Kobayashi. development plan for the wood

> to start building an engineering will continue to be in the plant at Campinas this summer Nordic area, North America and co-operation with the the USSR, where long-fibre raw materials predominate, but they close to \$20m, of which TVWs in countries starting up pulp share is 47.5 per cent. hare is 47.5 per cent. and paper production. These Rauma Repola has announced countries frequently want to plans to set up a manufacturing make paper from a variety of base together with Beloit and raw materials and, because the

logy. Last year it completed a machine for Argentina which Peru based on bagasse. Recognising that developing countries will need multigrade machines, the group has experiiary of the Norwegian management contract and was mented with and is ready to ner group. Kamyr is the responsible for organising the offer equipment designed for it in the world in con- consortium to build the pulp

stituent companies possess, or have access to pilot machines. on which they can experiment with the use of different kinds of short-fibre materials, such as bagasse and tropical hardwoods. Valmet carried out lengthy tests its research department before it could produce a satisfactory newsprint for the Argentine mill.

The Finns are not neglecting markets closer to home, how-ever. Both Ahlström and TVW have staked out positions in France in anticipation of the delayed restructuring of the industry Ahlström has a 97 per cent holding in Pierre Hansen while this year TVW took a stake of over one-third in the Allimand company, with which it had previously had a licensing agreement.

This investment opens up several interesting prospects for TVW. It offers another channel into the EEC market and also the possibility of exploiting Allimand's present connections in French-speaking areas and such countries as Turkey and the Philippines. Not least it could enable TVW to partici-

pate in projects financed by French export credits. TVW also set up a sales office a London last year with an eve mainly to finding modernising jobs at the British mills. Valmet has picked up an order from the North of Ireland Paper Mill Co. for a tissue paper machine. The strategy which the manufacturers are

already taking shape. They will continue to rely heavily on their traditional markets and can expect to win a considerable share of the regular rebuilding and modernisation orders but as high-cost producers they will have increasingly to concentrate on the more difficult, technologically advanced components in pulp and paper making.

For the heavier, conventional

equipment, countries with lower labour costs will be strong competitors. The Finns will specialise-in the more complirated wet end of the manu-facturing process, in combustion and recovery techniques-and seek to achieve world-wide dominance in specific segments pulp and paper making. Their exports must grow, which in turn implies that they must build more machines outside Finland, sub-contracting simpler operations to local

# KANSALLIS -FOR THE BEST

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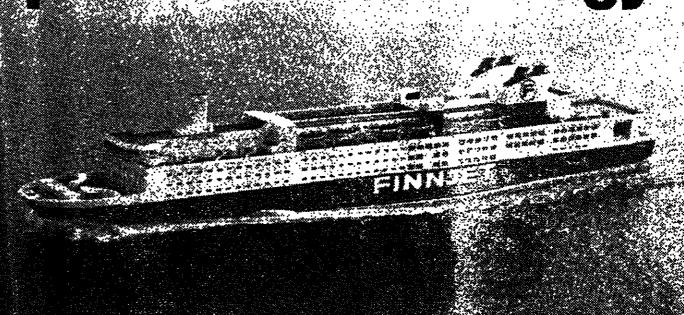
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foremost the product must meet the

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customer's functional requirements. Or even

When Wärtsilä creates something new, it is

also meant to function. That is always the key



Equally good examples are the much smaller products, like this Arabia porcetain and the Nuutajärvi glass ware. Ever, developing working examples of practical design, they are perhaps the best known of Wartsilä products thoughout the world.

exceed them.

aspect of our technology.



Or the Ekenäs Pottery sanitary system which reduces the amount of water required for flushing to less than one half of what was needed before.

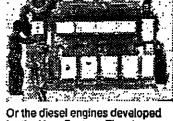


Or the Abloy security locking

systems which are used, for instance, to guard the treasures

of the Thai National Museum

experience. And sophisticated capturing new markets every-



by the Vasa Factory. They have because of their energy-saving



Or the sought after final result of Arabia enamel product development: elegant dishes and castiron cooking pots.

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#### roblems CONTINUED FROM PREVIOUS PAGE

Finnish mills will have itch to products in which good input is lower per finished product and to ies which can draw advanfrom Finland's slow-1g, long-fibre raw material. es about five cubic metres ood to make a ton of ed sulphate pulp at a of 50 per cent: about 2.5 metres of wood is needed ke a ton of newsprint at d of 90-95 per cent.

pattern for the next must be to close down non-integrated sulphite mills and to invest in p-mechanical pulp plants basis for newsprint and printing papers. But, even Finnish mills can conto be competitive in such products, they will also to make more specialised 4. selling in smaller lots demanding a extended

make a lot of money when the less:
market is good. A period of two
or three years of high profits. such as the Finns enjoyed in 1972-74, could transform the The current year promises to initiate a substantial recovery, but no Finnish mana-1980 many Finnish companies

would be badly squeezed. the role of the Finnish com- an adequate return. mercial banks. Finland does not have a capital market of the kind operating in America or Britain, have started to appear at comand the pulp and paper companies are financed chiefly by bank loans. Their equity/debt labour productivity has cerbank loans. Their equity, by ratios are ridiculously low by tainly improved. But it mey are to be in a position to meet another recession and to make

se changes will call for pulp and paper companies.
Investment, and the big on is whether the pulp and paper businesses, and arguments can generate ably it does not matter much.
In the same applies to most on the behaviour of the banks of little or no profits the crate sufficient earnings to on political acceptance. The go debt of the Finnish cover the cost of the capital pulp and paper companies must

o organise the marketing companies is larger than their and provide some equity for be allowed to raise their profit expansion. The Finnish pulp targets without political reaction with foreign to and to close co-operates and to close co-operates and to close co-operates and to close co-operates are in a sound the companies are in a sound to close co-operates and to close co-operates are in a sound to close co-operates are in a sound to close co-operates are in a sound their closes co-operates are in a sound to close co-operates are in a sound the closes co-operates are in a sound to close co-operates are in a sound to close co-operates are in a sound the close co-operates are in a sound to close co-operat foreign manuscript the enough financial position to their American rivals have been companies. Or, if the political averaging gross returns on parties retreat from such a companies will have products in which should be pulp and paper indusproducts in which try is notoriously subject to wild five years. Finnish average refluctuations and companies can turns have sunk to 5 per cent or competitive on foreign markets,

> Investment The size of bank lending to the

Finnish companies turns it into a de facto equity investment, but the banks have hardly been ger is yet prepared to bet that it will last long enough, and market economy. They have not should another recession come in made their investments in the pulp and paper companies conditional on sound financial man-At this point one must look at agement and the generation of

The situation may be changing. New, younger managers pany helms. The mills have been laying off employees and manding a same comparison the Finnish another recession and to make marketing banks are widely over-committed in their lending to the 1980s, capital productivity must

ing Finnish pulp and paper but it is hardly conceivable that Finnish exchange rate policy can be tied solely to the needs of the forest industry.

Seen from the company level prospects for the 1980s depend firstly on developments in the world economy and the growth in general demand for pulp paper and board products. But against the background sketched above one can postulate that not a few companies will be seeking to disinvest from less profitable areas in order to generate the capital they will need to switch to a new

There will probably be some mergers. Companies will be investing more abroad and possibly more than in the past will be looking for foreign partners. This trend has already started. Kymi Kymmene led the way with its investments in Britain, West Germany, France and the U.S., but others—Ahlström, Tampella and even the state-owned Enso-Gutzeithave started to follow.

strategy.

# More confidence in the shipyards

ONE OF the main streets of Helsinki rises slightly as it approaches the Lutheran cathedral and in the distance one sees three enormous yellow blocks, reminiscent of three small power stations.

When you reach the top of the hill they reveal themselves to be the superstructure of three great icebreakers, moored in the harbour after the winter's labours. It is a striking intro-duction to one of the specialities

of Finnish shipbiulding. Over the years the Wärtsilä company's Helsinki shipyard has delivered 42 icebreakers for use on rivers, lakes and in the Baltic and Polar regions. It has two on order currently.

Apart from deliveries to domestic owners, most of the icebreakers have been sold to the Soviet Union, but the latest delivery, the Almirante Irizar, of 14,900 tonnes displacement, went to Argentina, to be used as a combined icebreaker, research vessel, passenger ship and rescue ship in the Antarctic.

Finland's shipbuilding industry has not come through the world recession unscathed, but the scars are less vivid than in

the Wartsila icebreakers are of employment (which has lengthening last year of the characteristic, is one of the fallen from 18,000 to 15,500 over cruise vessel Song of Norway reasons for this. The yards of the past three years). (by inserting a mid-section Wartsila, Rauma Repola and But at the end of March the which increased the cruiser's

Valmet, the three main ship-builders, build a wide range of vessels, including roll-on, rolloff ships, car-passenger ferries, gas carriers, barges and barge carriers, luxury cruisers, tankers and bulk carriers.

has been agreed already that in the next five to ten years ships should be even more prominent. Therefore, as long as the vards are able to build at competitive prices. Finnish shipbuilders can see light at the end of the tunnel.

But the present two-year period is a difficult one. The ship orders from the Soviet Soviet Arctic areas will be the Union were bunched at the start of the current five-year restriction are the current five-year restriction. agreement and the new agree-ment runs only from 1981.

world recession unscathed, our the scars are less vivid than in many other countries and there is a confidence not found in many other countries that the industry will come out of the recession with its capacity intact and without the closure of any major yards.

However, prospects have improved considerably in the improved considerably in the past few months after looking a good position to obtain a further share of these investments.

Other important new orders this spring have gone to Wärtsile in the successful lengthening last year of the

The most valuable of the new ranges and barge carriers. luxury cruisers, tankers and bulk carriers.

They aim to build vessels for special purposes in short series. This diversified production has helped them to come through the recession in relatively good shape.

The most valuable of the new orders obtained this spring was for three drilling ships for use in Arctic waters, which will be Soviet Union. The order is worth about \$230m and the valuable of the new orders obtained this spring was for three drillings ships for use in Arctic waters, which will be soviet Union. The order is worth about \$230m and the valuable of the new orders obtained this spring was for three drillings ships for use in Arctic waters, which will be soviet Union. The order is worth about \$230m and the valuable of the new orders obtained this spring was for three drillings ships for use in Arctic waters, which will be soviet Union. The order is worth about \$230m and the valuable of the new orders obtained this spring was for three drillings ships for use in Arctic waters, which will be soviet Union. The order is worth about \$230m and the valuable of the new orders obtained this spring was for three drillings ships for use in Arctic waters, which will be soviet Union. The order is worth about \$230m and the valuable of the new orders of the new orders of the new orders waters.

Finland's trading links with the Soviet Union are important for the shipyards. Deliveries of Finnish ships are one of the major items in the five-year trade agreements between the two countries, and in principle it has between the can be successed in the positioning process, which means that they is the can be successed in the can be succes with great speed. It also means that the vessels can be nar-rower and therefore cheaper than earlier vessels of the same type, according to Mr. Matu Kilpinen, marketing director of Rauma-Repola.

only in oil and gas exploration, but also for mining, and Rauma-Repola believes that the drill-

yards had on order 84 vessels capacity by 44 per cent), the totalling 580,000 grt, which compares with 36 vessels of 355,000 grt delivered in 1978. such a complex vessel, an order was placed by the Norwegian owners to lengthen the cruise liner Nordic Prince, Song of Norway's sister ship.

Wärtsilä also benefited from a renewed interest by Finnish owners in placing orders with Finnish yards (not a single vessel for a Finnish owner was delivered in 1978). The Saliy Shinning Company placed an Shipping Company placed an order for two passenger-car ferries for the Sweden-Finland route and its competitor on the same route, SF Line, ordered a sister ship to a ferry already in operation.

Rauma-Repola's Uusikaupunki vard, for medium-sized vessels, has received an order for two timber carriers from a Soviet-Finnish company and is building two more on its own account. The vessels are about 2,000 dwt. As the biggest sawn timber exporter in Europe, Rauma will either operate the carriers itself or charter them.

The four yards operated by of the large shipbuilding groups. Ships recently delivered include roll-on, roll-off vessels, and the portlake price was the value from the most they had received. However, the financing problems of the Finnish yards are include roll-on, roll-off vessels, tankers received. gas tankers, research vessels. Union, which is cash business naval patrol boats, tugs and

It is currently completing what at the time was one of the higgest export orders ever won by Finland-two 36,600-dwt barge carriers for the Soviet Union. The first of these was delivered—five weeks ahead of schedule—last autumn and the second is due for delivery this

The Navire Yard, operated by The Navire Yard, operated by the Navire company at Turku, is the final link in the shipbuilding chain. It was completed at a bad time—1975—but adapted itself to difficult circumstances by a varied production. In May it delivered a special floating ramp to the Port of Aberdeen for use in loading roll-on, roll-off vessels, which Navire claims is the first construction of its kind in the world.

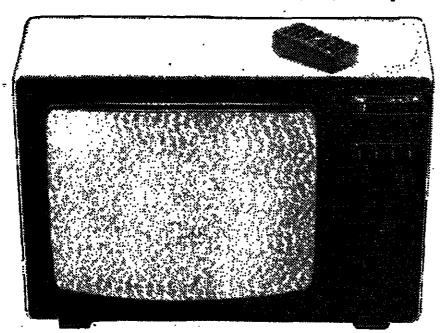
world. The government has helped the shippards by bringing forward orders for naval vessels facilitating orders for trawlers. It has also provided some subsidies, but the subsidies have been modest and are not automatic.

According to the yards, cash subsidies of the order of 3 per cent of the purchase price was

Part of the Valmet yard, in eastern Helsinki, seen here during the construction p now covers an area of 200 acres, of which 130 are in industrial use. In size, Valm new 300,000 tdu dock ranks first in Finland

# Contractors win new orders

# Finlux OBO colour TV



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distant spot which the interested reader cannot cover for the ratio of total Finnish construction. This was valued at about FM 20bn (\$5bn) in 1978. in his old elementary school

For a country that is a net international construction trade. the end of the year.

It is probable that no Finnish engineer or architect has been seen yet in the Falkland Islands, but elsewhere "Fin-landisation" of the developed know-how has been galloping along in the 1970s.

These construction contracts 1978 prices) in 1980. are hard to classify under the traditional headings of customs lists. The projects can cover everything from initial planning to delivery of the keys of the completed construction, often with the machinery (or furniture and fittings) installed and ready for use.

Such projects involve consultancy, engineering, town planning, water supply and so on, and the actual exports come from the building materials. engineering, wood products and

other components. The Association of General Contractors of Finland (AGCF)

HARDLY A week passes with- keeps its own statistics on the and now they intend to stay out a report in the Helsinki activities of its member com- there. This is no short-term

importer of capital and has only cent in the current year and to under construction in that 4.7m inhabitants this seems rise steadily at least in the country are in places just across odd, especially as the contracts early 1980s. Finish contractors Finland's eastern frontier, are worth anything from \$1m won orders for more than 30 to \$800m—occasionally even new foreign projects worth more. Odd it may be, but some \$600m in 1978, bringing the of the Finnish companies have total value of export projects become household names in the being handled up to \$1.8bn by

#### **Earnings**

Actual export earnings of the landisation" of the developed construction industry, not to be market was Iraq (value \$428m), and developing countries with technological and construction know-how has been galloping to about \$500m in 1978, and are leading countries in Africa are expected to approach \$600m (at Libya

> Mr. Kalle-Pekka Sävelkoski, export manager of the AGCF. "With such fat order says: "With such fat order books, the tremendous growth rate must inevitably slow down sortium of four of the biggest in the early 1980s. We shall then have to concentrate our was working there on a contract resources on maintaining our valued at about \$170m for the

But he makes it quite clear that the Finnish construction third completed when the industry intends to remain turmoil started, but only about export-oriented, "Our contractors have found their way was outstanding. The conabroad in the past decade or so sortium, like most of the

papers of a large new construc- panies, which account for about success story." Indeed, the Fina half of total Finnish construc- land Steamship Company has opened four cargo lines to the Middle East.

> The first export market for the exports to total construction Finnish construction industry investment in the home country was the Soviet Union. It was in 1978 was 9 per cent and is also the most natural one, for expected to be more than 10 per most of the major projects which means that Finnish manpower as well as supplies can be used.

At the end of 1978, 44 per cent of the country's construction exports were projects near the Finnish-Soviet border. The proportion in the Middle East taken as a whole was 45 per cent. Within this area the leading (\$50m).

Recent events in Iran point up the risks of this trade in regions such as the Middle East. Finn-Iran Contractors, a conmarket share in our target erection of 63 15-storey residen-countries where the competition will be stiffer." valued at about \$170m for the erection of 63 15-storey residen-tial buildings, including some of the building material.

The contract was about one-



ing in Iran, is fairly confident started to arrange s that it will be invited to return and finish the job.

The Finish F

End 1978 (Million Finnmarks)

The Finnish Export been one six-week course Guarantee Board provides a project managers, a fourmaximum of 90 per cent cover course for site managers, for political and 80 per cent for two intensive courses in commercial risks. Now Finnish struction English." private insurance companies are taking an interest in this field. ing abroad on constru

The Pohja Group offers a projects, about half of t comprehensive range of in-surance cover and lately Ursa, Considerably more will the reinsurance subsidiary of Industrial Insurance, has estab-lished an insurance company in Dubai in co-operation with other Scandinavian insurance companies. At least one British company. Furness-Holder (Com-mercial Services) has been ex-

mercial Services) has been exploring the market in Finland.
Financing is not a problem in the rich oil-producing countries. For other areas, Finnish Export Credit added construction projects to its range of services for the first time last year, financing constitutions. time last year, financing con-tracts amounting to \$88m.

tracts amounting to \$88m.

Other solutions have been found, such as the hotel project in Leningrad, where the building work will be done by Finland and the financing provided by an American company. The AGCF says that provided the financing is based on normal European terms, Finnish companies can manage. But if Finland has to provide a high proportion of the finance on its own, the problem can be insuperable.

One difficulty that still exists and will take a few years to overcome fully is a shortage of trained staff, particularly

engineers, project managers, lawyers and transcent

Finnish companies then work- specialists. The AGCF arrange s for export promotion. Ther About 5,000 Finns are

needed in the next few ye The trend now is away ! purely construction conti

towards more complex arra ments, sometimes invol dustries outside the consi tion branch proper. In Abu Dhabi the Fig. firm YTT built a mill and for which a French come

supplied the machinery. A nish contractor will built dairy in Libya for which Finnish dairy company Vi Two Finnish companies,

and Partek, in co-operation N Saudi Arabian partners building a concrete compone factory in Saudi Arabia MABCO company. The fact will have an annual producticapacity sufficient for 13 homes. The Finish companied by the responsible for plant and development for 5-10 year.

These are a few example Finland expects to have me than 60 foreign constructi projects in progress in 188 valued at at least \$1.8bn. as things stand the outlook the 1980s is bright.

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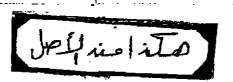
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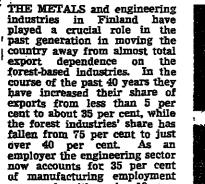
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Improvement in the

engineering sector

cessive quarter.



compared with only 19 per cent in the forest-based indus-But the past three or four years have been difficult times for engineering and the industry is still waiting for clear signs that the recession, which every one believes is past, is really

Between 1975 and 1978 the industrial output index rose from 122 to 130, with a rise of three points in 1978. The engineering industry index has fallen from 150 to 145 over the same period, with a six point decline in 1978. Investment in engineering fell by no less than 46 per cent in 1977 and by a further 4 per cent in 1978, according to the Bank of Finland's recent investment survey.

#### Cyclical

The problems are partly cyclical, of course. The recovery in engineering always comes late in the recovery cycle, while the Finnish-Soviet trade agreements also have a cyclical pattern, with orders bunching in the first years of the fiveyear agreements, in this case leaving order books thin in 1979 and 1980.

The Confederation of Industries first quarter expectations survey indicated that output again fell in the first quarter, but also that some increase in output and exports is expected in the current half year. Capacity utilisation remains low, however, and order stocks were judged to be "below normal" for the sixteenth suc-

Nevertheless, there is a feelfairly optimistic, especially about exports. The overall improvement in the Finnish



The Rauma-Repola Oy Pori Works, probably the biggest engineering works in Finland

dustrial leaders feeling that ceeded FM 1.4bn. Salora tele- steel containment shell they are fully price-competitive, vision sets are a well-known.

The Finnish engineering in-product of the electronics industry is characterised by relatively large companies (for such a small country), with the emphasis on heavy engineering products such as shipbuilding and machinery for the forest industries and metallurgical and mining industries. In the 1978 export figures the transport sector was largest with exports worth FM 3.9bn, with ships FM 3.2bn, machinery FM 3.1bn, electrotechnical products FM 955m, cables 280m, and instruments

FM 221m. In the five years since 1973 the biggest growth has come in machinery exports, which rose 272 per cent, followed by transport equipment, 250 per cent. instruments 245 per cent, cables 191 per cent and electrotechnical products 123 per cent. The Comecon share of Finnish

exports has risen from 12-13 per cent in 1973 to about 17-18 per cent today and this is reflected ports as well. The Eastern bloc countries accounted for 34.2 per cent of exports in 1978 at FM 4.16bn compared with 20.8 was similarly down from 35.8 reactors either in operation oper cent to 26.6 per cent at under construction in Finlandper cent to 26.6 per cent at FM 3.24bn and the EEC's share from 28.7 per cent to 20 per cent at FM 2.42bn.

Ships and paper machines water type are probably the best-known Finnish

dustry, which has otherwise concentrated on industrial pro-

cess control equipment.

New developments this year include the start of TV-tube production by Valco, in which Hitachi and Salora are minority partners with the State. Valmet, the big State-controlled com-pany, has started assembly of a range of Chrysler Simca models, which are an addition to the Saab cars it already assembles. Valmet and Volvo are discussing the development and production of a new agricultural tractor to replace the ageing models the two companies at present pro-

#### **Optimistic**

Somewhat surprisingly in view of the Harrisburg accident, one of the more optimistic people in the Finnish engineering industry is Mr. Daniel Jaafs, managing director of Finnatom, in engineering and metal ex- an organisation set up 10 years ago to co-ordinate the marketing and research and development activities of the eight companies which have made major deper cent in 1973. Efta's share liveries to the four nuclear was similarly down from 35.8 reactors either in operation or two Soviet-built reactors of 440- to a Lovisa-type reactor in Hun-MW at Lovisa and two Swedish-built reactors, all of the boiling the Soviet in projects for built reactors, all of the boiling-

ing in industry that the worst products of the Finnish engine about a third of the equipment jects to be publicised is a residual representation of the finnish engine about a third of the equipment jects to be publicised is a residual representation of the first Lovisa actor for Libya, but Mr. Jaafs product spectrum is wide, reactor, and up to 50 per cent said that several other third-Among major successes is Kone if civil engineering works are country projects are under nego-Corporation's lifts and materials included. The equipment in tiation and the Libya order may economy, with inflation under handling coupment. Kone has cludes the circulating pumps and not be the first one to be placed control following a substantial production facilities in 12 counmotors, computers, in-core in- He believed that at least one effective depreciation of the tries and joint ventures in four strumentation, ice-condensers third-country reactor order Finnmark in 1977, has left in more. Group sales last year exfor the cooling system and the would be signed this year.

Lovisa 1 is proving to be ex-tremely reliable, statistically speaking one of the best re-actors in the world, said Mr. Jaafs, and the Finnish industry's experience with deliveries to the Lovisa and Swedish reactors is now paying dividends. Orders are in the pipeline for deliveries to Sovet-bult reactors in Eastern Europe and Third countries and Finnatom also expects to obtain substantial orders for equipment for the Swedish reactor which Turkey is expected to order

While in Western countries the Harrisburg accident has slowed down nuclear pro-grammes, it has had no effect in the Eastern bloc, according to Mr. Jaafs, who pointed out that Hungary has just decided to speed up its four-reactor nuclear programme. This is the reason for Mr. Jaafs' optimism. In Finland, too, the Harrisburg accident appears to have made less impact on public opinion than in many other countries, an important point as a final decision to build a Lovisa 3 reactor, a 1,000MW plant, should be taken next year.

Lovisa 3 will only begin to fill ware in 1981-82, but Finnatom is meanwhile discussing deliveries reactors in third countries. So industry delivered far the only one of these pro-

# Metals and cand rechnical rechnical Know-How Know-How From Finland

OUTOKUMPU is one of the largest industrial undertakings in Finland. In 1978. the Company achieved total sales of £222 million, nearly 80% of which stemmed from exports. Outokumpu's share of the Finnish metal industry's total export sales was 11%. The Company is one of Europe's leading producers of non-ferrous metals, and the United Kingdom has traditionally been one of the most important export markets.

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**OUTOKUMPU, OY** 

Steady recovery in the metal industries

AFTER SEVERAL years in ferro-chrome (in 1978). which most metals companies While Rautaruukki tu have either made losses or kept the hottom line figure in the black by paring depreciation costs to the bone; the Finnish basic metal industry companies are now reasonably confident that better times are ahead.
After only being able to think of investments for the past few years in terms of tens of millions of marks, we are now beginning to think in hundreds of millions again," commented divisional sales

Ovaco steel group. In 1977 and 1978, iron and steel output increased, partly as a result of the installation of new capacity. A new blast furnace at the State-controlled Rautaruukki Steelworks at nails, screws, bolts and chains, Rahe, accompanied by examt the Wärtsilä Dalsbruk steel-pansion of continuous casting works contributes rolled bars, panision or continuous casting capacity and a new hot-rolling steel plate mill, doubled the company's steel production capacity in 1977 to 1.7m tonnes. Total iron and steel output in 1978 increased by about 6.6 per cent to 7m tonnes. Total per cent to 7m tonnes.

anager, Matti Turunen of

non-ferrous metals output on the other hand showed little increase, with the output of pro-cessed products totalling about 321,000 tonnes. A substantial part of the iron

and steel production is used by domestic industry, although about 55 per cent of the rolled steel output last year of 1.8m tonnes went for export. The bulk of the non-ferrous metal production, on the other

hand, is exported, with copper exports in 1978 at 47,100 tonnes, and zinc 113,680 tonnes, By value, metal exports accounted for 7.5 per cent of total Finnish commodity exports last year. Iron and steel exports rose by 51 per cent to FM 1.64bn, but the value of copper exports was down 10 per cent to FM 323m and of other metals 8 per cent to FM 613m, reflecting both lower volume

Besides steel, copper and zinc, Finland also produces three metals with some strategic importance (although in small quantities)—922 tonnes cobalt, 5,000 tonnes of vanadium

While Rautaruukki turned a which makes more refined products and special steels, was still loss-making last year. This forced the industry to undertake a major structural reform, which was worked out this

spring and came into effect from May 1. Ovaco Oy, the largest of the private steel manufacturers, which produces a wide range of bars, rods and wires, took over the steel production and manufacturing facilities of the two other main private steelmakers. Oy Fiskars Ab and the steel

division of Oy Wartsila Ab.
Fiskars brings to the group
the production of wire net, reinforcing steels, drawn wires, nails and castings. The three companies in 1978 had a joint turnover of about FM 1bn and

5,000 employees.
Although Ovaco's output last year changed little with 422,000 tonnes of raw iron, 646,000 tonnes of crude steel and 372,000 tonnes of rolled steel products, external sales rose from FM 629m to FM 718m, which was considerably more than hadgeted than budgeted.

#### Exports

Exports accounted for 52 per cent of sales. But the company made a loss of FM 1.5m after a loss of FM 21.7m in 1977 and in both years depreciation costs were insufficient to cover re-placement costs. Equity capital at the end of last year was only 7.5 per cent of total assets of FM 687m.

The merger, however, has made the company's management more optimistic. "The merger will clear up the private sector, remove the inefficiencies, and make exporting easier and more profitable," said marketing director Nils L. Gripenberg. "The merger will also improve our financial posi-

tion and we should be able to of make larger investments." Among Ovaco's specialities nationalising fast." oxide and 45,000 tonnes of are boron steels of high harden-

ability. Markets which it expects to develop in the next few 1977 loss into a modest profit in years include the auto compo-1978, the private steel industry, nents industry and fasteners. In nents industry and fasteners. In both these areas it already makes deliveries to most European countries.

In the non-ferrous metals sector, the Finnish industry is dominated by the State-con-trolled Outukump Oy (this company also has iron ore mines and a modern stainless steel-works, which last year produced 140,000 tonnes of chrome pellets, 44,800 tonnes of ferrochrome, 56,700 tonnes of steel slabs and 44,300 tonnes of rolled products).

The main products of the mining and metallurgical divi-sion includes copper concentrates and anode copper, zinc, cobalt, pyrites, talc and sulphur, originating from the company's ten mines. Although sales for many of the company's products remained unsatisfactory last year, there was a 27 per cent increase in sales to FM 1.75bn, of which exports accounted for FM 1.36bn. Net earnings increased by FM 1.8m to FM 7.6m. After depreciation, costs rose from FM 68m to FM 156m.

As the company's mines are ageing and deepening, and thus becoming more expensive to operate, declining ore resources will force a fall in copper output in the 1980s (or, as director Jorma Hakkarainen commented: "our ore resources will decline at present world market prices"). A major effort is being made to develop the export of technical know-how, mining processes and equip-ment through the company's technical export division, which almost doubled its sales last

year to FM 299m.
"In the next five to ten years a lot of new investment and reinvestment will be needed around the world," said Mr. Hakkarainen. "The technical Hakkarainen. export division will be our most dynamic area. We have already invested in technical knowledge and have now achieved a standard which enables us to export it. From being a home market company, we are now inter- year or two.

The company announced in

May that it has won a turn-key concentration plant in the Philippines (together with Rauma Repola and Kone engineering companies). The project will involve Finnish deliveries of equipment and know-how worth about FM 300m.

Mr. Hakkarainen said that the company hoped to be able to announce contracts for further similar projects in the near future. Outukumpu has recently made deliveries to the Norilsk copper combinate in Siberia and to a copper smelter in South Korea. As the original inventor of the flash smelting technique for copper, the com-pany has sold 27 smelters

#### Depletion

With mines and domestic raw materials approaching depletion over the next 10 years or so, it decided to build a new engineering works at Outu-kumpu, in eastern Finland, to provide jobs when the local mines are exhausted. The works are now under construction and manufacture

industry equipment Among the new products under development is company-designed equipment for drawing copper for the production of semi-manufactures, which the company hopes will be an important new sales item.

In conclusion, the iron, steel and metals industry companies expect that the recovery in their fortunes, which began last year, will continue in 1979—but all companies in one way or another made major investments in the early 70s, which increased capacity just as the market collapsed. This has left the country with a modern industry and some of the most efficient plant in Europe, but it has also left the companies financially weakened

An improvement in the financial position is therefore going investment projects for the next

H.B



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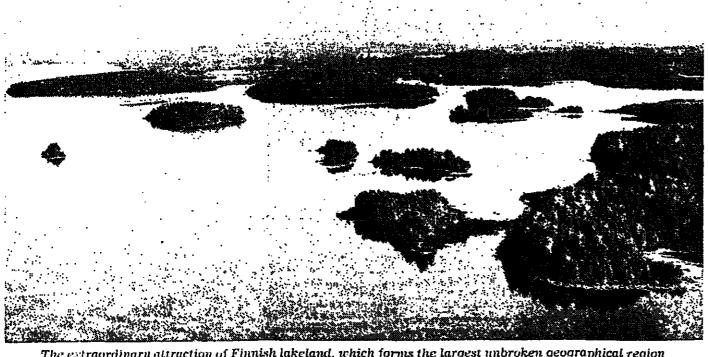


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The extraordinary attraction of Finnish lakeland, which forms the largest unbroken geographical region of the country



A girl of Lappland transporting a bottle of liquid gas with the help of a raindeer sleigh

# Attracting the big spenders

for the washing machines they where it is possible to live by were selling was for brewing gun and hook for months at a

also selling were, they said, an Europe's last remaining gold essential accessory for extractbrew. With a pitch like that it stories would make a Texan was no surprise that they were blush.

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time with no contact with civilisation. Some do, such as

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Industrialization Fund

of Finland Ltd.

The Industrialization Fund of Finland Ltd. (IFF) is a development finance corpora-

tion established in 1954. The essential purpose of the IFF is to promote Finnish

tourism and industrial enterprises through

mobilizing resources for their use.

Finnish capital, Helsinki, is the focal point.

Helsinki and its immediate hinterland have about 5,500 hotel rooms to offer, a fifth of ing harder liquor from the bizarre characters whose tall the country's total hotel accommodation. In the early summer months, when tourists have

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Helsinki.

seems to have succeeded in attracting a growing share of the travel trade, partly by the opening in 1977 of a new fast ferry service to West Germany and partly through its development as a congress centre. The growing travel trade with Germany may well have played a decisive part in tipping the travel balance from a small deficit of about FM 3m in 1977 to a surplus of FM 173m in 1978, which is expected to rise to between FM 200m and FM 300m this year.

The largest group visiting Finland are, naturally enough, the Swedes, who can use either the air services or the popular ferry trips between Stockholm and Turku (at Finland's western tip) and Helsinki. In 1977 Swedish visitors spent about 452,000 nights in Finnish hotels, accounting for almost 30 per cent of total foreign hotel visits. Next came Germans with 249,000 nights, Russians 143,000, Americans 108,000 and Norwegians and Britons about track, even if it is only little flights has risen steadily year by: tourist infrastructure develop-75.000 each.

German visitors are regarded as a primary target for tourist development because they come not only in large numbers, but they are hig spenders (" We get a lot of Russians, but they don't bring any money with them," sighed one tourist official).

The introduction in 1977 of the Flanish-built passenger-car ferry Finnjet, operated between Helsinki and Travemunde, was a major innovation in the de-velopment of tourism with West Germany and to some extent also for tourists from other central European countries. Finnjet, with a speed of 30.5 knots, is the fastest ferry of its kind in the world. It has cut the time on the route to 22 hours, so that travellers need spend only one night on board.

#### **Increased**

The ferry can carry 1,532 passengers and 350 cars. After its introduction the number of passengers using the route increased enormously, from 75,000 in 1976 to 200,000 in 1978, which is expected to rise to 235,000 in 1979. There was a 22 per cent increase in West Germans using Finnish hotels in the first nine months of 1978 and Finnjet is credited with an important part in creating the increase. In the three summer months (in Finland that means June to August) about

extremely competitive with the In recent years Helsinki alternative of driving from the

continent up through Sweden. ferences. well ahead of some larger and more centrally accommodation, meals, trans-placed cities. Last year about port and retail goods, are 20 to 17,600 participants attended 56 30 per cent lower than in the not fluctuated very much since

The date is significant. It was to a Tourist Board price comthen that the magnificent parison made earlier the year. Finlandia Hall, designed by the well-known Finnish architect Alvar Aalto, was completed. It is a combined concert half and congress centre, able to cater firmed by the FT annual survey for 3,000 delegates in two con- of business travel costs. An gress auditoria, and it also offers facilities for smaller in Finland both air and rail meetings. The Finlandia Hall transport are very cheap is supplemented by the Dipoli measured per kilometre (but Congress Centre, just south of the distances are great). Helsinki, which can accommodate 2,000 delegates.

One of Finland's problems as in developing Finnish tourism. a tourist country is that it is The number of passengers car-a longish-way off the beaten ried on international scheduled Government allocations for

I RECEIVED my initiation as a tourist in Finland some years ago driving round Lapland with a couple of Finnish consumer goods salesmen who tried to persuade me that the best use for the washing machines they were selling was for brewing as for brewing and some years ago and couple of Finland is a couple of Finland is a

As a congress centre Helsinki cheapness of the country in re-claims to rank eighth in Europe lation to other north-west Euro-by number of international con-ferences well about of conextent cancelled out by the ing to an index made up of York and Bangkok. conferences, a figure which has other Nordic countries and West is a destination on the U.S. west Germany and only slightly

Its findings are broadly coninteresting point is that once

Finnair, the national airline, has played an important role

two DC10s, 15 DC9s, and eight there are huts and cot Finland is currently engaged your own logs.

in air service negotiations with the U.S. Finland's objective the U.S. Finland's objective is a destination on the U.S. west coast, but the talks have stalled Mr. Pihlström, "is making higher than in Britain, according for the time being over Washington's fare policy proposals, accommodation he or sl Other services which Finnair expecting."

is anxious to obtain include routes to Tokyo and Middle East destinations. It is also trying to persuade British Airways to agree to the introduc-tion of a third daily flight between London and Helsinki.

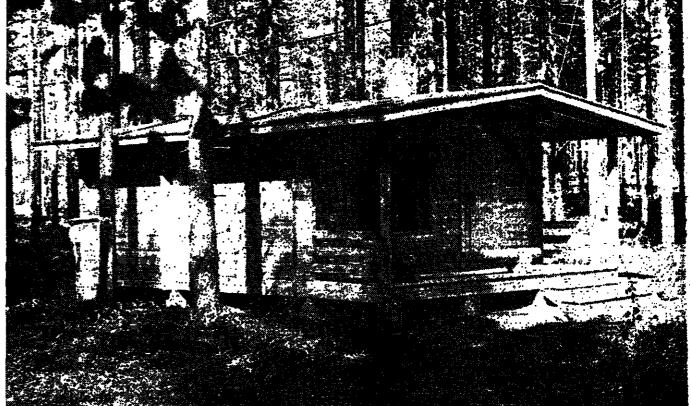
While there is strong pressure on the Helsinki hotels in the high season, there was a danger at one time that hotel accommodation outside Helsinki would outrun demand after a big building boom in the late 1960s and early 1970s. In 1976.

But today the extra cost of travelling to Finland is to some fleet of 34 aircraft, including the Ioneliness, of course, with a sauna only if you

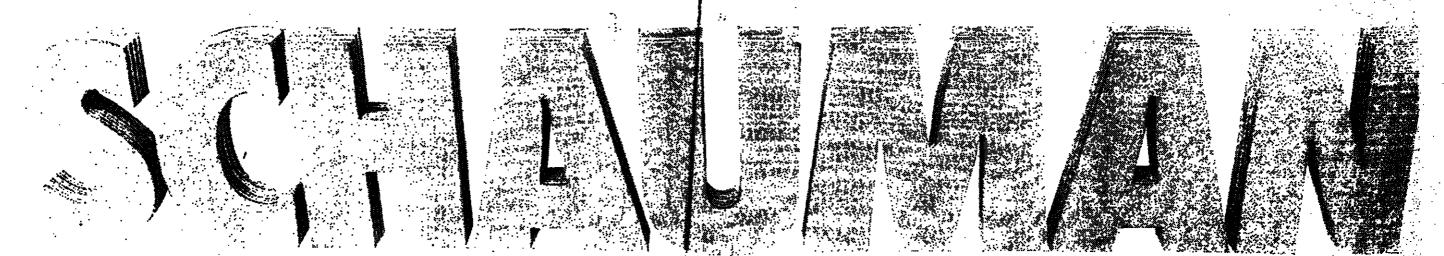
> Equally, however, there the visitor gets the so

Nor those who want to Lapland, Finnair has ret introduced an inclusive package which gives a we Lapland with hotel for less the price of the normal r fare from Helsinki.

Initially it is being deve on a domestic basis, but a stantial marketing effor Europe is planned. Rei safaris, cross-country skiin midnight sun, and the gold panning champion (anyone can enter) are a the attractions.



Manu Finns spend the summer in simple forest cottages like this one, with a sauna and a nearby lake a the main amenities. Now, foreign tourists are being encouraged to do the same



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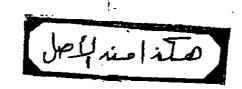
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# Crossroads to democracy

W open, sandy space in stance towards international is an essential element of this federal Senate and House of who speaks a populist Left-wing gart of Lagos, surrounded issues, including Rhodesia. framework Representatives, going on to rhetoric although the stated coutests for state legislatures, and ending with the presidential tion Party differ little from the country of the ard at work. They weave way through the 2,000 way through the 2,000 party systems, military regimes trails of the Nigerian sway, each acting whether by seen and many simply trailising force in the artificial re in wonder at the unstate of the party of the colonial states are not seen as the colonial seen ar e's Party most to cheer, to jeer, and many simply re in wonder at the uner sight of the political is in action.

or 13 years of military black Africa's most popumi most powerful nation uning to civilian governunder a four-year pro-te adopted in 1975 by the s was in that year over-

ine country has a new, yle Presidential constinllowing a year of deliberay a constituent assembly, on party politics, in force 1966, was lifted last ober. The country will series of elections lead-

; a moment of truth for ns. Have these diverse numbering 80m to 100m. a constitutional frameable to contain their ely complicated mix of rivalries, based on religious. cultural ic, regional and social Is there a sufficient al consensus to avoid nious divisions which

change of government

A successful transition to This division is designed civilian rule could hold consti- primarily to counter the centritutional lessons for other fugal tendencies of having a states caryed out by the colonial powers of the past

#### Nation state

For Nigeria is attempting an individual and ambitious solution to one of the gravest politi-cal problems plaguing Africa s was in that year over-form. Gowon, the then loyalties from those based on of State. the clan, tribe or region into programme is nearing a those based on the nation state. The attempt has a particular poignancy for Nigeria which, between 1967 and 1970, fought a bitter civil war against the Tho secessionists of Biafra to preserve the principle of One Nigeria.

For the West, the transition to the installation of a civilian rule has economic overnment, headed by an ive President, on Britain's most important export market outside Europe and the U.S. and it is also America's second largest foreign supplier of oil. A stable Nigeria, neutral if not actively pro-western, is therefore of considerable importance for the West.

the military intervened follownious divisions which ing widespread corruption encourage another and violence in both the tion of soldiers to seize 1964 federal elections and the 1965 elections in the former answers will have repers far beyond Nigeria's have been learned from the
Nigeria is black past and the political frames most influential state work has been radically altered

answers will have reperWestern Region. Many lessons
Concern for security may partially explain the Government's refusal for many months to announce a date—or an order work has been radically altered in an attempt to find stability.

African countries where single- regional system based on three dominant groups: the Dos in the east, the Yorubas in the west, and the Hausa-Fulani in the north. The creation of 19 states has relocated the centres of political activity in much smaller units and has given a stronger voice to minority tribes which comprise over 30 per cent of the population. The constitution is designed

to produce a careful balance of power between the Federal Government and the states and between the executive president, a bicameral legislature, and an independent judiciary. It is intended to encourage national rather than ethnically-based politics. To win the presidency on the first ballot a candidate must not only gain the highest number of votes cast, but also needs support in a broad geographical spread—a quarter the votes in at least two thirds

of the states.
All this could be undermined a recrudescence of political violence, but so far, with scattered exceptions, people have been on their best

behaviour. At the NPP rally in Lagos, for example, there is a pleasant, relaxed atmosphere, reminiscent It was political instability (right down to T-shirts, badges which led to the downfall of and jaunty caps in the party Nigeria's first civilian adminicular colours). A cheer-leader leads chants of "victory" and "power chants of "victory" and to the people." But a sizeable contingent of policemen, who at one point use their sticks to conthe crowd, shows the

Government's fear of violence. for the five elections. It finally

But no sooner was that issue settled than a major dispute arose which is currently casting a long shadow over the election campaign. In a complicated argument about candidates' compliance with tax laws, the Federal Electoral Commission which is responsible for run-ning the poll — has left open the possibility that it might disqualify two of the five runners for the presidency.

They are Dr. Nnamdi Azikiwe, the leader of the NPP, a veteran Azikiwe has gained High Court backing for his claim to have paid tax in accordance with the laws of his home state, but it is still far from clear that he will be able to stand.

The disqualification of either politician would undoubtedly sour the atmosphere and could lead to the very political ten-sion which the Government is so keen to avoid.

Dr. Azikiwe's decision to stand for the Presidency in the first place was something of a surprise. Aged 75, one of the founders of Nigerian nationalism and the country's On polling day, the personfirst President, he had been expected to sit on the sidelines

as an elder statesman. Chief Obafemi Awolowo, the veteran Yoruba politician who has spent years planning a comeback and now leads the Unity Party of Nigeria (UPN), is only five years younger than Dr. Azikiwe.

There are three presidential candidates from the North: Alhaji Waziri Ibrahim, a selfmade millionaire and former federal Minister of Economic is, entailing a fresh look The sub-division of Nigeria's decided that they would be stag-ablished policies, could former three regions—North, a tilt in the continent's West and East—into 19 states starting with the polling for the Great Nigeria People's Party starting with the polling for the GNPP); Alhaji Aminu Kano,

those of its rivals; and Alhaji Shehu Shagari, a former federal Minister of Finance who leads the National Party of Nigeria (NPN).

At 54, Mr. Shagari is the youngest presidential candidate. He lacks some of the charisma of the other leaders and seems to have been thrust reluctantly into the race as a compromise between the heavyweights in his party. But he comes across as a elever, thoughtful, pragmatist.

There is a striking similarity between the manifestos of the parties, none of which plans any Tho politician; and Alhaji parties, none of which plans any Aminu Kano, leader of the radical break from the mixed People's Redemption Party. Dr. economy goals pursued by the economy goals pursued by the military Government. Rather, their emphasis is on achieving those goals more quickly or on improving the efficiency of what exists, such as the much pilloried Electric Power Autho-rity and Nigeria Airways.

#### Establishment

Personality factors rather than policies have dominated the campaign, particularly in the case of Azikiwe and Chief

ality of the candidates will count for much, but it will be only one of many issues determining voting patterns, includ-ing rivalries between and within ethnic groups, competition be-tween economic and social interest groups or the plain opportunism of itimping on to the bandwagon of any party deemed likely to emerge on top.

On the face of it, Shehu Shagari's NPN appears to have the edge over its rivals. It seems to have the strongest base in the populous North, where it state, tough battles are being if they fail, another army coup has inherited something of the fought out for the Governoris possible. Some cynics argue mantle of the most powerful ship between two or three that is inevitable, with majors

A supporter of the National Party of Nigeria has stuck to his fan a poster of his choice for state governor. party of the 1960s, the Northern People's Congress. But it is also well established in parts of loyalties. the East and West. Its execu-tive is packed with well known

the establishment party. Chief Awolowo has strong support in parts of the West, but may find it hard picking up a large following elsewhere, while Dr. Azikiwe's strongest following appears to lie in the East and parts of the northern

political names from the 1960s

(not a few of them tarnished)

and it is seen to some extent as

Middle Belt." The other two parties, the GNPP and the PRP, could win several contests at state level but do not, by themselves, seem to present much of a challenge for control of the federal

But while the NPN may at this stage have an edge, no party can be confident of winning the presidency on the first ballot. If there has to be a run-off, the legislature will act as an

electoral college. The existing uncertainty in 1966. suggests that the reforms There designed to make politics more national in character are paying dividends: in virtually every

parties, with the electorate and colonels simply biding their apparently divided in its time, waiting for the civilians

where there could be a revival of the 1960s-style block regional from a sharp recession. Oil voting, with people transferring earnings are rising and this their allegiances from the party should begin to show through dential candidate.

While the current political credit. fluidity seems more healthy However, it is important for than the politics of the 1980s, it the civilians to adopt a gradudoes contain dangers. It is, for alist approach to expanding the example, far from certain that economy again. The recession the party which wins the has, in some respects, been a presidency will also gain a blessing in disguise, allowing working majority in the legisla- the Government to cool down ture. If different parties (or a seriously overheated economy alliances) hold sway in these and to go for more moderate two branches of Government, it will require great self-restraint the 1980s. for the politicians to make their Political new and highly sophisticated constitution work—and they are largely the same politicians who

now lived through a military regime. They know well that lower. A party of policemen

It is, however, possible that this degree of competition for elections to state offices will not be repeated at the federal level, Nigeria is gradually recovering they support at state level to to the man in the street by the the one fielding a local presi- end of the year, allowing the civilians to claim some of the

but more balanced growth in

Politically too, restraint will be imperative. Nigeria is rela-tively quiet now, but tempers might fray nearer polling day saw the First Republic collapse or afterwards from poor losers, in 1966.

There is however, one major is finishing when from the rear difference: the politicians have of the crowd comes a cry of "UPN" from an Awolowo folif they fail, another army coup set off down a side street in pursuit of the provocative heckler.

#### intenance I renewai

he Director-General

deration of Civil - Malcolm Rutherford's Ministers expect the index to returning to the secon stand at 237.9 in that month. But, assuming that they are 1979 price + VAT basic philosophy or Mr.

basic infrastructure : or can there be.

in Government must, in g its long-term specifing , acknowledge the fact oper maintenance, reexpansion of the infrastructure is

for even modest nt, it is for the Governmough its public investpolicies, to lay the ion for a steady revival. te manufacturing industhus to enable Britain dustrial rivals.

essary

r. M. Noar

prudent know that postponing side painting for yet year is not cutting g but postponing it with lihood of much higher en eventually the work

From the Viscount of many of the Govern-claimed spending cuts Arbuthnott. Sir,—Last month I retired after five years as president of the Scottish Landowners' Federo this same category. ads, sewers and water re rapidly deteriorating ation, a term of office that was years of underspending preceded by two terms each of ssary repair and renovathree years as vice-convener and convener of the Federation's

Budget's further postnts of this work will much higher costs in e short and long term. totally illusory forms

dridge Roadi

#### e rate of ation

their estates exclusively for sport or as holiday recreation." r. H. Colc Can you not use your e to stop the lunary of their contribution to a progres-sive Scottish farming and forestry industry and for their and forecasting the rise retail price index by e to its level twelve

lunacy because all that achieves is to tell us

rachieves is to tell us uses on their lands which are uch prices rose in a increasingly available to a larger number of people. The larger number of people. The only "bad name" given to their activities is that by those activities is that by those apparently blinkered members of the Press who, as underlying trend, but onto a special danger impending large jump "knock" an occasion deliberately index following the given to them of interviewing a given to them of interviewing a index following the

## Letters to the Editor

Our flesh, and that of trade the rate of inflation will reach Cole! 17.5 per cent.
This merely means that

correct in their forecast, the nect of public spending correct in their forecast, the must be recognized by a Government, whether line more to Sir Geoffrey

By June, reflecting continuing By June, reflecting conditional price rises and the additional rivate sector equivalent Chancellor, the index will reach arithmetic. And, believed the compared with 3142 net, I'am a statisticiant basic infrastructure in April). But if it then goes Robin J. Bangerter,

vater and sewerage ser. to 237.9 in November this is our can there be. a further 3.4 per cant, representing an annual rate of received of Civil senting an annual rate of change for the period from the efforts made in the the efforts made in the than 8.2 per cent to encourage and reward is and initiative which

is encourage and reward is encourage and reward is each initiative which to give the impression that the form of our industry. To the inflation is gaing to be more these moves, however, and the control of the control ber of last year. Harvey Cole, 9. Clifton Road.

# **Increases** in

From Mr. R. Bungerier

cete effectively with its . Sir.—Mr. Cole, (June 18) seems to have stumbled on an ideal way to reduce inflation, but why stop at the 7 per cent used in his example?

For instance, on the basis of his arithmetic, if the Chancellor had increased VAT by 100 per realt them.

1979 base price ..... 1980 price 

1979 price + VAT ..... 1980 price .....

council. I could therefore have

taken the comments of your con-

tributor to Men and Matters

that "Land ownership has a bad

name in Scotland just now!" His statement on "scandalous evic-tions" is totally unsubstantiated

and I would be obliged for just

one instance of the actions described in the circumstances given "by owners who want

Scottish Iandowners have

every reason to be proud of

pioneer work in the develop-

ment of a variety of recreational

uses on their lands which are

Scottish landowner on his own

Scottish land owners

Unfortunately we have to pay VAT on the inflated price, thus returning to the second part of

1979 price + VAT ... 107.0 1980 price .....\. 117.7

Inflation 10 per cent
I trust Messrs. Healey and By June, reflecting continuing Murray are better mathemati- ance welfare state has been left Quite simply, there indirect taxes imposed by the not taken in by his dubious arithmetic. And, believe it or

Robin J. Bangerter, 58, Whitmore Road,

#### Making tax euts

From Mr. Frank Field, MP Sir,-I wrote (June 8) in support of Samuel Brittan's bravely stated case for cutting the tax allowance welfare state. The Government has refused to follow this advice and the dangers inherent in their budgetary strategy of making tax cuts in a traditional manner are admirably set out, again by are admirably set out, again by Samuel Brittan (June 14).

Mr. Nelson has written (June 13) to question the figures I gave. True, in a short letter it was impossible to set out the assumptions on which it had been calculated that the average rate of tax for a person on £15,000 a year is 22 per cent The assumptions and figures are, however, set forth in the Parlia-mentary Answer which I used (November 29, 1978, vol. 959, col. 222). And readers will see that the 22 per cent figure

But how revealing are Mr.

any knowledge of what was to be said or seen.

Observer writes: I was thinking mainly of the cases of Killiechronan and Torloisk estates on Mull (see "Dream

cottages turn into a nightmare

14, 1976, also "The unacceptable face of feudalism" Guardian, July 1976, and "The clearances, Mull 1975," Glasgow Herald,

Sir Kenneth Alexander, chairman of the Highlands and Islands Development Board,

gave details of the loss of jobs

and reduction in stock numbers

resulting from the eviction of

tenants and farm workers from

these two estates in a speech to the Scottish Landowners'

Federation AGM in Aviemore

(May 16, 1977). He described the incidents as "acute under-

use of land resulting in loss of jobs to the extent that a whole

community is undermined and

The houses vacated, on one of these estates at least, were put on the market as holiday homes.

No one who has written or

tion for either the sackings or physiognomy to which the sale of farm workers houses. Heath referred."

spoken about these cases has found any agricultural justifica-

Arbuthnott

(June 11) as a personal reflection on my period of office if I for Mull, island landlords start felt there was the slightest fragment of truth in the comment 14, 1976, also "The unacceptable

Estate Office, Arbuthnott,

Kincordineshire

August 1975).

The Chancellor could bring ance welfare state, he shows an union negotiators, is being made inflation down to any level he average rate for a £15,000-a-year to creep with a prediction, chooses (apart from nil) by man (pre-Budget changes) of stupidly made by the Government itself, that by November amount. I am afraid not, Mr. staggeringly less than the statements we are being subjected to in the Commons in support of the Government's tax cuts which overwhelmingly benefit the rich.

This then is the basis of the double redistribution to higher income groups now being brought about. Their tax allowcians than Mr. Cole, and were untouched and the tax cuts announced on Tuesday overwhelmingly benefit those on

> hieiH AnerH House of Commons, SW1.

#### **Employee share** ownership

From the Chairman, Uni-Export Trading Company.

Sir,-I wish that politicians and lawyers would leave business to business men. Lord Shawcross's suggestion (June 14) to the Wider Share Ownership Council that employees should hold their shares in other companies rather than the one in which they work, is completely alien to the aim for which the shares are given. Any company which distributes shares among its employees does so to secure their loyalty and greater interest in the company for which they work, thus avoiding strikes and shabby

workmanship. Each individual employee is entitled to invest his money wherever he wishes, but if the companies followed the advice from Lord Shawcross it would amount to the same result as a false productivity deal. E. G. Baizert.

from the area has slumped.

A more recent case has been

reported in Harris (Scotsman, November 15, 1978), where estate workers and domestic

staff were made redundant by

a Swiss landowner. The castle

which it had been said would

be turned over to commercial

use, was to be used " as a family

home for a few months in the

The Landowners' Federation

is also aware of reports in the

Aberdeen Press and Journal in

January this year and of a BBC Scotland documentary in Feb-

ruary. These concerned the

turning over of farm houses to

As far as land-owning having

bad name is concerned: recent

debates at annual conferences of the Scottish National Party, Labour Party and Liberal Party

are evidence of this, as is the

correspondence in the local

newspapers mentioned above

following the reports quoted

Also the remarks of Sir Kenneth

Alexander: "I have been struck

by the number of occasions on

which I have been taken aside

to be told of some misdeed or other of a local landowner, an

act or failure to act which is remembered and resented. To adapt a memorable phrase, the unacceptable face of feudalism

is, when it appears, if anything

less attractive than that other

letting for oil workers.

Nelson's results. By assuming that the taxpayer benefits less than most from the tax allow
14a, New Broadway, W5. Uni-Export Trading Company,

ground before the event without In fact, agricultural production

#### UK: The Economic and Social Committee of the EEC, meeting in London (until June 21). discusses energy situation, and methods for encouraging coal

consumption. Sheikh Yamani of Saudi Arabia speaks at British Shippers Council conference, London. Iron and Steel Trades Confederation conference opens, Bournemouth (until June 22).

Royal Ascot opens (until June Overseas: EEC Agriculture, nd Environment Ministers,

#### Today's Events conference in New York on Debate on the Government's

investment in U.S.

OFFICIAL STATISTICS

Balance of payments current account and overseas trade figures (May). Cyclical indicators for the UK economy (May). PARLIAMENTARY BUSINESS House of Commons: Education Bill, second reading. Debate on EEC document and on

second supplementary the memorandum on aircraft noise. meetings in Luxembourg.

House of Lords: Kiribati Inde-bendence Bill, remaining stages. House of Lords: Kiribati Inde-

economic strategy. COMPANY MEETINGS

Amalgamated Power Engin-Amagamated Power Engineering Works, Bedford, 12. Bodycote International, 7 Charlotte Street, Manchester, 12.30. Brocks, Winchester House, 77 London Wall, EC, 11.30. Walter Duncan and Goodricke, Winchester House, 100 Old Broad Street, EC House, 100 Old Broad Street, EC, 11. Duport, Midland Hotel, New Street, Birmingham, 12.30. Estate Duties Investment Trust, 91

City Investments, Winchester House, 100 Old Broad Street, EC, 10.30. M. F. North, Stanhope Court Hotel, Stanhope Gardens, SW, 2.80. Walter Runciman, 52 Leadenhall Street, EC, 12.
Tarmac. Hyde Park Hotel,
Knightsbridge, SW, 12. U.D.S.,
Churchill Hotel, Portman
Square, W, 12. Wadham Stringer, Post House. Northney Road. Hayling Island, Hants. 12. Wilkins and Mitchell, Mount Hotel Wolverhampton, 3. Winchmore Investment Trust, Hotel. Great Eastern Hotel, Liverpool

Street, EC, 12. Company results Page 21



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ACIT has published a new booklet to help you plan a hearing shake. You can't afford to ignore it. Send of their sopen or plant for you're still not sure swear a vall LCB is the most comprehensive and completely imperial source of micromation and attributed of the social transmit throughout the country and there is operating for our services.

# Good year for Hambros: attributable tops £7m

AFTER REPORTING lower earnings for the first half, the second six months at Hambros banking six months at Hambros banking group showed an improvement with the group producing an attributable profit for the year ended March 31, 1979 of £7.12m compared with £4.99m previously. Stated earnings per share are 33.64p against 23.55p.

The directors say the improvement was throughout all the group but particularly in banking, in unit trust operations and in investment performance.

in investment performance. The year's profit comprises banking, £1.41m against £1.39m, other operating profits less materity interests, £2.5m (£825,000) including an exceptional credit of £1.04m and assuments

ciates' share, including Hambro Life Assurance, £3.2m compared with £2.78m.

There are to be added invest-There are to be added investment gains of group companies.

£3.29m against £1.51m, share of associated companies investment from £134,522 to £324,537, Beechgains, £1.47m (£599,000) and wood Construction (Holdings), £1.62m to £3.26m.

During the year, the company of the state of the companies.

The final dividend on the £10 compared with £312.153. Turnshares (£2.50 paid) is 67.24p over rose by 16 per cent. to litting the total from 96.0925p to £9.8m.

109.24p.
The dividend on the 25p shares is one-tenth of this amount while the payment on the £1 Last year, inner reserves were drawn on towards shipping loan drawn on towards shipping loan Depreciation took £474.246 provisions. This year, as existing (£433,918) and interest charge provisions are already accuracy, inner reserves have been increased, the directors say.

Shareholders' funds have advanced from £65m to £76m. Also at the year-end, there was an additional excess of £41m of market value over the balance sheet carrying values of listed associated companies — principally Hambro Life and Berkeley Hambro.

See Lex

#### INDEX TO COMPANY HIGHLIGHTS Page Col. Сотралу Hanson Trust Avenue Close Beechwood Constrn. Intnl. Distillers Brown & Tawse Mercantile House Mining News Chamberlain Phipps

Scottish Amicable

Simon Engineering

**Thorgmorton Trust** 

Trans-Oceanic Trust

comment

bought Doncaster Well Borers and made a further investment of £742,000 in new plant and

Beechwood Construction looks

to be back on course. Losses in

two divisions have been eliminated (one closed and one

revived) improving the pre-tax return by around £270.000. Taking this out of the equation, profits have still improved by 39

per cent despite the effects of the bad weather on winter operations. Interest charges are around 60 per cent higher, due to an acquisition and heavy

capital investment, but gearing is well down since deferred tax

transfers have helped to double shareholders' funds. And with a

property revaluation yielding £347,000, the balance sheet looks much sounder. The yield

is almost 10 per cent and the dividend is covered five times,

so the shares, at 33p, look a little humble on a stated p/e of

three. On the other hand, fully

taxing profits brings the p/e above the sector average to 5.7,

while the company accepts that last year's gains are unlikely to

be repeated. Around 25 to 30 per cent of working time was lost through bad weather during

May and, since the bulk of its work is done outdoors, the group

may be too much a prey of the

elements to deserve a much

Jefferson Smurfit Group an-

nounces that 70 per cent of the shares offered in its one-for-six

rights issue at 150p a share have been taken up and the balance

higher rating.

J. SMURFIT

sold on the market.

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Shaw & Marvin

#### Beechwood well ahead at best-ever £704,255

6

6

1

gains, £1.47m (£599,000) and wood Construction (Roldings), extraordinary items. £10.000 civil and mechanical engineering against £1.76m leaving a balance of £11.88m compared with 1979, year with pre-tax profits £8.86m.

Courtaulds

Dorada

Dawson Intn'i.

Gt. Northern Invest.

After tax of £56.879 (£52.556), earnings per 10p share were up sharply from 4.2p to 10.5p. A net final dividend of 1.5077p takes the total payment to 2.0746p against 1.829p previously.

was £247,667 (£155,344).
Mr. M. C. Thomas, the chairman, says satisfactory profit improvements were achieved in all fields of activity, particularly the engineering companies.

A revaluation of freehold and

leasehold land and buildings pro-duced a surplus of over £387,000. been transferred to reserves. The chairman describes the balance-sheet as greatly

#### DIVIDENDS ANNOUNCED

	Date	Corre-	T OIST	10191
		sponding	for	last
payme	nt payment	div.	year	year
Beechwood Custrn 1.51	July 28	1.3	2.07	1.83
Brown and Tawse 4.5	Aug. 9	3.64	5,87	4.89
Chamberlain Phipps 1.81	Aug. 10	1.24	2.81	2.16
Dawson Intnl 47	Aug. 29	0.99*	7	1.88*
Gt. Northern Inv. int. 1.5	Aug. 15	1.29	_	4.5
Hambros 67.2	· <b>—</b> ~ ~ ~	58.5	109.2	96.1
Hanson Trustint. 3.33	July 31	3.03	_	7.02
Old Swan Hotel 0.36	<b>—</b> *	0.36°	0.66	0.59*
Progressive Secs. Tst 2.142	July 5	1.9	3.19	2.8
Shaw and Marvin 0.35	July 30	. Nil	0.35	Nil
600 Group 2.63‡	_	2.26	4.67	4.11
Throgmorton Tst 2.25	Aug. 3	2		4.S8
Time Products 5.022		1.25	5.5	1.69
Dividends shown pence per sha		t where o	therwise	stated.
* Equivalent after allowing				capital

increased by rights and/or acquisition issues. ‡ Increased following reduction in ACT.

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Encyclopedia, Macdonald Starters, Cordon

Bleu, Yehudi Menuhin, Catherine Cookson.

Tito Gobbi, William Rushton and Mickey

Cricketers' Almanack and Rothman's

Football Yearbook, the New Caxton

last year came from group companies whose

# **Hanson Trust** £12.5m so far

March 31—show stated earnings per share at 10p against 9p. The interim dividend is stepped up from 3.025p to 3.3275p and the directors are forecasting a final dividend of 4p on the enlarged

Sales for the half year went ahead from £286m to £345.1m with agriproducts in the U.S. contributing £170.5m (£155.6m) and £13.6m (£14.8m) in the UK. Industrial services in the U.S. contributed sales of £120.5m (£25.6m) and £40.2m (£29.6m) in the UK.

A profit analysis shows U.S. agriproducts at £3.9m (£3.5m)

TOGETHER with a one-for-two-rights issue, Hanson Trust trial services in the U.S., £4.9m reports record half-year pre-tax profits of £12.5m compared with £11.4m in the same period iast year.

Figures for the half year—to Figures for the half year—to £6.3m.

#### SIMON ENGRG. RIGHTS RESULT

Nearly 3.76m shares represent-ing 90.7 per cent of the rights issue by Simon Engineering have in the market at a net price above the subscription price.
The excess, after deduction of expenses, of some 1.04p per share will be distributed in due course to the persons to whom such shares were provisionally

#### Scottish Amicable raises with-profit bonus rates

On the principal bonus series, the interim bonus rate is lifted to £4.25 per cent per annum of the sum assured and £5.25 per cent per annum of attaching bonuses, against the previous rates of £4.10 per cent and £5.10

per cent respectively.
On the Flexidowment contracts (second series), the new bonus rate is £3.90 per cent per annum of the sum assured and £6.20 per cent per annum of attaching bonuses, compared with £3.75 per cent and £6 per

cent respectively.
On the company's selfemployed pension contract,

IMPROVED BONUS rates on all Flexipension, the bonus rate is with-profit contracts have been now £4.10 per cent per annum declared by the Scottish Amicable
Life Assurance Society.

now £4.10 per cent per annum of the per cent per annum of the attaching bonuses, an increase of 10p on the retirement sum bonus rate and 70p on the attaching bonus rate. A similar rate is payable on the Superannuation

(second series).

Scottish Amicable has also improved its terminal bonus rates. On maturity or vesting claims, the bonus is now £1 per cent of the basic benefit plus attaching bonuses for each complete year except the first five years. Previously the rate was SOp per cent. claims the same improvement is

#### Hambros Investment Tst. expects revenue growth

furher growth in its revenue the current year, says Mr. O. Hambro, the chairman.

Present conditions have made the company view the short term with caution and, therefore, the trust has become more liquid since year-end. However, on the longer view, having regard to the historically low valuation of share prices in both the UK and the U.S., the directors are confident that their large investments in equities in these areas will prove rewarding. As a March 31, 1979, invest-ments totalling some £51m

With the lifting of dividend (542m) were distributed, in perrestraint in prospect Hambros centages, as to U.K. 67.88 Investment Trust is optimistic (65.99); U.S. 27.26 (28.44); of furner growth in its revenue canada 1.15 (0.96); Pacific area in the current year, says Mr. 2.74 (2.94) and elsewhere 0.97

#### Throgmorton Trust up to £1.55m so far

Throgmorton Trust rose from f1.35m to f1.55m in the six months to May 31, 1979. Gross revenue reached f1.73m, against

Tax took £530,029 (£466,334), leaving net profit higher at £1.02m compared with £883,529. Fully diluted earnings per 25p share are shown at 2.31p (2.05p). The net interim dividend is raised from 2p to 2.25p—last year's total was 4.875p on taxable profits of £3.05m. The net asset value, taking prior charges at par and allowing for full con-

10 119.4p (20.3p).
Taxable profits were struck after administration and interest charges of £174,434 (£208,816).

#### Gt. Northern Investment slightly lower

Taxable revenue of Great Northern Investment Trust for the balf year to May 31, 1979, was fractionally lower at £1,934,360, compared with £1,969,900. Net asset value per 25p share at half-time stood at 149p against 137p at the end of 1977-78.

Tax for the half-year of £718,076 (£611,758), left the net balance (£1,358,142).

The net interim dividend is stepped up to 1.5p (1.29p) per 25p. Last time a 3.21p final was paid from net revenue of £2.31m.

#### Mercantile

#### House new issue Mercantile House Holdings, the parent of leading interna-

tional money broker, M. W. Marshall and Co., intends to make an offer for sale to the public in July. The timing is dependent on market conditions being favourable but S. G. Warburg and Co. is pressing ahead with the necessary preparations and Cazenove and Co. have agreed to become brokers to the issue.

There is already an unofficial There is already an unofficial market for the company's shares which are owned by several institutions by Mercantile directors and staff. No final

decision has yet been taken on the mix of new shares and old shares that will constitute the offer.

Beside the international money broking activities the firm is, through its other subsidiary, Saturn Holdings, involved in financial services such as domestic money market and leaving advices

domestic money market and leasing advice.

It has an April year-end and recorded a pre-tax profit of £1.7m in 1977-78. The figure in the latest year is expected to be substantially better.

The final decision on the price of the new shares has not yet been made but it is expected that the company will have a

that the company will have a market capitalisation of between £9m and £10m.

#### Avenue Close

The directors of Avenue Close, property investment and development group, look forward to the future with confidence, according to Mr. J. Julius, the chairman, in his annual statement.

# Dawson Int. reaches £16n and lifts dividend 270%

with a much less buoyant state of world trade than in the previous year, in which unusually favourable trading conditions applied, Dawson International improved taxable profits from 515.53m to \$16.26m\$ for the March 31, 1979, year. In addition, the company is hoisting its dividend payments by 270 per cent.

There was no material effect the year end, investments, the year end, investments, the year end, investments, and deposits totalled \$21.

The directors say it is difficult to forecast results for the current to forecast results for the current to forecast results for the group's business and to that extent Dawson depends to that extent Dawson depends on the economies of these overcent.

The results includes a betterthan-expected performance from
John Haggas, which was acquired
towards the end of last year.
Excluding attributable profits of
the Haggas group from January
1, pre-tax profits of the textile
manufacturer were £15m, compared with the forecast of
£14.5m made at the time of the
unsuccessful bid from William
Baird and Co.

account the cost in the year of interest on the cash element of the consideration paid to Haggas shareholders, estimated at 50.3m.

At the halfway stage, profits were up by 17 per cent to £6.63m and the directors said they were confident that the forecast would

Baird and Co.

External sales for the year increased from £82.6m to £96.2m, including sales in overseas markets of £47m (£43m) which comprised 49 per cent of the total. Pre-tax profits were boosted by interest receivable amounting to £1m, compared with a £52,000

to that extent Dawson depends on the economies of these over-seas countries, exchange rates, and other factors beyond its control. However, they expect that profits, including the valuable contribution from Haggas will show further growth.

snow further growth.

Earnings per 25p share, on capital increased by the Haggas acquisition, are shown as 21.4p (23.2p adjusted for scrip issue) or as 20.7p fully diluted. The net dividend total is effectively stepped up from 1.57545p to 7p and and co.

This forecast did not take into stepped up from 1.87595p to 7p, ecount the cost in the year of with a 4n final.

Mitt 9 45 ppg.	1978-79
	£000 96.174
External sales	
Trading profit	17,150
Interest receivable	1,003
Depreciation	1,893
Profit before tax	15,280
Texation	6.566
TEXACTOR	3,694
Net profit	251
Extraord, debit	9.443
Attributable	
Dividends	3,358
Retained	6,085
* Payable. †	Credit.

The croup's financial position was further strengthened during the year. Funds generated from trading amounted to £17.7m. And additional funds of £1.6m were generated from efficiencies in

## At the pre-tax level, Day has delivered the goods. It

comfortably exceeded the £1-forecast made in the offer d ment for John Haggas late year. Behind the figures good performances by a members of the group. T were no violent fluctuation the prices of cashmere—w appeared to peak early in year and could have forced group to make provisions stock. Overall trading condiwere not quite so buoyan 1978-79 as they were in previous year and margins under a little pressure. Ex-(which contribute roughly of sales) fared well in hard rency markets but not so in the U.S. For the cu-year, order books are fatter they were last year and may help domestic sales, shares edged up 3p to shares edged up 3p to yesterday giving a p/e of 5; yield of 9.8 per cent. It

# undemanding rating for a paint reusonable prospects. Chamberlain Phipps increases

22%: sees further progress lain Phipps rose 22 per cent lower, the chairman says. (23 per cent of groun in the year to March 24 1920) in the year to March 31, 1979, on turnover 15.5 per cent higher at £59.44m, against £51.44m.

At midway, the surplus was up from £1.24m to £1.51m. Mr. W. R. F. Chamberlain, chairman of the manufacturer components and materials for the footwear, clothing and automotive industries, is con-

But he is concerned about the rate of inflation, the supply and price of oil, and the possibility of a downturn in world trade.

that would have looked, more dustries division where m impressive but for adverse curthis year's £3m capital extensive power and price of oil, and the possibility of a downturn in world trade.

After tax for the year of £1.42m (£1.23m), earnings per 10p share are shown to have risen from 7.97p to 9.78p. The net final dividend of 1.8054p

lifts the total 30 per cent to 2.8054p (2.158p). The chairman says £50.18m of total sales were made by UK companies and £9.26m by over seas companies. Exports in creased 9 per cent to £8.54mmeaning 30 per cent of sales were outside the UK.

Profit margins again in-creased while the overseas companies' contribution to profit

par and allowing for the unsecured loan stock, increased 20.2 per cent industry received £38m of group sales, of which 64 per cent in the UK and 3f The footwear manufacturing cent was sold in the UK and 36 per cent overseas. The shoe components, Phipps-Faire and moulding divisions each had a

good year.
Although additional investments were made in certain overseas companies and in machinery and plant during the

#### comment

In spite of relatively flat demand in the UK footwear industry and the export difficulties resulting from a stronger pound, Chamber-lain Phipps shows no sign of slowing down. Full-year profits are 22 per cent higher, reflecting real growth of nearly a for the footwear, clothing and automotive industries, is condent the group will again make good progress in the current year.

But he is concerned about the footwear, clothing and ing real growth of nearly a company can probably contents. The improvement in to increase its market shar margins is mainly due to better spearhead for growth w productivity overseas—a picture overseas and in the generative would have looked more dustries division where meaning the productivity overseas and in the generative would have looked more dustries division where meaning the footwear in the footwear, clothing and ingredient the footwear in the footwear.

difficulties in the motor me and a small loss on the de ment of a new pack product, Although the UK wear industry will rema important outlet. CP sees a modest upturn in demand the next few years. Whil

#### **LONDON SUMATRA** PLANTATIONS LIMITED Issued & Paid-up Capital—£1,593,171 in 10p shares

Secretaries

Harrison	s & Crosfield, Limited					
*****	Year	endeð				
	31.12.78	31,12,77				
PROFIT AND DIVIDENI	<u> </u>	***************************************				
Profit after tax	£1,129,348	£708,952				
Extraordinary item	87,588	_				
•	1,041,660	708,952				
Dividends for year						
-pence per 10p share	· 8.0 <i>a</i>	4.82				
absorbing	£955,902	£637,268				
CROPS HARVESTED 10	00 kas.					
Rubber	20.500	20,600				
Palm Oil & Kernels	41,100	40,600				
Coffee	500	800				
Tea	900	800				

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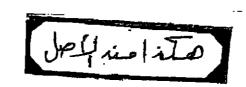
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# Courtaulds to step up capital expenditure

oved products and ramme of opening ramme of opening up her business opportunities nditure and substantial ress in eliminating loss-ing activities are announced ne directors of Courtaulds, man-made fibres group, in

· annual report. search and development t has again been geared to ting the fibre, textile, paint packaging activities to lop new and improved ucts, they say. This is as riant in such established; as cellulosics as it is in areas like carbon fibres. addition a programme of

authon a programme of rich is under way directed ds opening up new tess opportunities in close lation with established tercial managements.

2 low level of capital ling in 1978-79 was £50.5m, referring the reset to the proof of the proof of the reset o reflecting the need to ve improved returns on ties where significant tment has already occurred

further

**US \$25,000,000** 

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That in 1978 Ennia NV complied with all the obligations laid

accordance with the provisions in Article XXI of the Trust

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bentures the outstanding amount of the loan, which nounted US\$25,000,000 per December 31st, 1977, was

duced to US\$21,290,000 per December 31st, 1978...

That in 1978 he found no occasion to make or perform

The Trustee: NV Nederlandsch Administratieen Trustkantoor

Amsterdam, June 13th, 1979.

That in 1978 debentures up to a nominal afficunt of

That owing to the above mentioned conversions of

ION SIM: Debentures due 1988/1992

greement the undersigned declares

S\$3.710,000 have been converted...

own in the Trust Agreement:

ly observations or acts.

s represents "a low point group's capital expenditure ammie and a significantly r level can be expected

committing

#### **BOARD MEETINGS**

Interims: John Cerr, Crest Nicholson, James H. Dennis, Godiney Davis, Dundes and Londos investment Trust, J. H. Fanner, Record Ridgewey, Trusthouse Forte, Finals: Baracors Tes, Eradford Property Trust, E.R.F., Globe Investment Trust, Hargrawes Group, Northern Securities Trust J. Tarrish, Tecalemit, United Spring and Steel.

FUTURE DATES

Interims—
Anglis Television June 20
Caledonian Holdings June 27
Chainer Trust and Agenty June 27
Countryside Properties June 28
Cronite Group June 29
Derby Trust July 26
Grange Trust July 26
Grange Trust July 27
Greenfing Investment July 19
Vects Stone June 25

for the group but not yet subject to contract amounted to £32.1m (£18.7m) and for Courtaulds Ltd.

estments in the UK have used to take full advantage encouragement offered by ment. In the past eight courtuids spent £469m in this country of which cash support from ment amounted to £64m— ment amounted to £64m— of £27.3m. The major item was the sale of the subsidiary, the of £27.3m. The major item was the sale of the subsidiary, the intent amounted to 164m.

per cent of the total.

ital expenditure authorised utstanding at the beginning new financial year amountain while working capicreased by £1.5m over the the directors add.

2011 The sale of the subsidiary, the belta and Pine Land Company of Mississippi. Loan repayments of £51.8m included the DM 1.00m of 71 per cent unsecured loans 1988 and the SwFr 50m 51 per cent bonds 1978/82.

Pre-tax violitis adjusted for in-

accounts show that outaccounts show that outng commitments at balance flation are reduced to £8m

(£7m). Additional charge for

(£7m). Additional charge for contracts for capital depreciation would amount to diture amounted for the £59m (£53m) and £23m (£16m) to about £15m (£9.2m) for the replacement of the courtain to the courta to about £15m (£9.2m) for the replacement of stocks. Ir Courtaulds Ltd. to about Inflationary gains on monetary (£1.1m) externally and working capital and other (£0.4m) to subsidiaries. monetary liabilities less assets tal expenditure authorised would give rise to credits of

#### 3m (£2m) and £23m (£20m) respectively

An analysis of historic pretax profit shows (in £m) fibres tax profit shows (in £m) fibres and yarns contributed £29.1 (£33.2); fabrics £16 (£5.2); consumer products etc., £20.8 (£19.6); paint £17.7 (£17.1); packaging, £8.6 (£9.3). Central expenses were £8.7m (£9.5m); associates, £3.3m (£3.4m) and net interest and financing items, £22.8m (£24.6m).

The directors say energy conservation continued to have high

servation continued to have high priority. Measures taken in the four years since 1974 are

coal and will achieve significant savings in energy costs over the

next few years.
The effect of these repayments, together with other Deutsche-mark repayments made pre-viously, has been to reduce sigorbits, has been to reduce significantly the group's exposure to exchange rate movements on forming currency borrowings.

For 1978-79, group pre-tax profit cose from £53.7m to £64m for the year to March 31 fact. Dividend total is raised from 7.559p to 8.438p a 25p share.

Substantial progress has now been made in eliminating loss-making activities, the Board The increase of some 7 per cent in the volume of exports was achieved in spite of the reduced competitiveness

sterling but margins have inevitably been eroded because of the growing disparity between the increase in UK costs compared with those of competitors with no corresponding adjustment in the exchange

Increased productivity helped the group contain its costs more successfully than UK industry in general but the group has been unable completely to insulate itself from the prevailing itself from the prevailing industrial climate and some business built up with many years of effort is now unprofitable.

Profit would have been some 20m higher but for this disparity between cost and exchange rate. See Lex .

#### Trans-Oceanic Trust rises to £654,000

Revenue of The Trans-Oceanic Revenue of The Trans-Oceanic Trust increased from £535,400 to £653,865 in the six months to April 20, 1979, before tax of £252,453, against £192,800.

A net interim dividend, stapped up from 1.5p to 2p to reduce disparity, has already been paid. Last year's total was 5.5p on taxable revenue of £1.15m.

Total net assets with invest-ments at market value totalled £33.82m at April 30, 1979, compared with £30.24m at October 31, 1978, glving net asset value of 262.5p (228.8p) including 17.9p (23.9p) in respect of the Investment

#### Shaw & Marvin £43,232 profit

Following the midway recovery from losses of £12.784 to a £4.960 profit, Shaw and Marvin, mercer, dyer and knitwear maker, reports pre-tax profits of £43.232 for the year ended March 31, 1979 compared with a £7.655 loss in the previous year.

And the directors are returning to the dividend list with a single 0.35p payment — the last dividends totalled 0.7p in 1976-77. With the expected acquisition of two small local textile com-

panies, the group intends to upmarket its products, which the Board hones will result at the interim stage in an expected profit of at least £30,000. If the trading trend is then favourable, resumption of interim dividends will be considered.

Turnover for 1978-79 improved

from £1.82m to £1.98m. Tax charge is £22,000 (£2,193 credit) giving earnings per share of 1.415p against a 0.364p loss. The directors say the current year has so far been encouraging and a further contribution should be added when the two acquisi-tions are completed.

UNILEVER

The board meeting of Uniferer announced for June 28 is to consider payment of the deferred of ordinary dividends and further payment re the final for 1978 following the tax cut.

#### THE LONG-TERM **CREDIT BANK OF** JAPAN LIMITED.

U.S. \$30,000,000 Floating Rate Notes 1976-1981

For the six months 15th June 1979 to 15th December 1979 the Notes will carry an interest rate of 103/2% per annum with a coupon amount of U.S. \$52.74

Agent Bank

# **Brown & Tawse** ahead to £3.8m

RECORD pre-tax profits of £3.8m for the year ended March 31, 1979, are reported by Brown and Tawse, steel and tube stockholder and engineer. The profit compares with £3.33m in the previous year.

First half profits had risen from £1.62m to £2.03m and directors had expected the year's profit to show an increase over 1977-78. Earnings per share are stated

as 30.7p against 17.6p and the final dividend is 4.5p lifting the estimated to have resulted in a total from 4.887p to 5.873p.

Saving of £10m in energy costs in 1973-79.

A proposal was approved for interest of £583.000 (£384.000) equipment at Grimsby to burn and depreciation, £594.000 processed domestic refuse with against £391.000. Tax takes coal and will achieve significant £1.84m compared with £1.58m.

After a £1.15m (nil) release of deferred tax on stock relief and a £3.000 overprovision in the previous year (£30,000 underprovision) there is a balance of £3.12m against

#### comment

Brown and Tawse blames the effect of the transport strike on the plant hire and engineering up to the prospects indicated at the interim stage. Stockholding, despite yet another static contribution from the dominant tube side, appears to have per-formed well and margins have been broadly maintained now that the flood of cheap imports has been choked off.
If the £230,000 shortfall on

plant hire in the second half is recovered this year, B and T should be readily capable of matching the earlier outside projections of at least £4m pretax. Yet much depends on the length and severity of the coming credit squeeze and customers' ability to expand, or even maintain, their inventories. For the moment, the picture is very much one of post-winter recovery and, as the latest industrial statistics suggest, the group was operating at peak

levels last month. For its own part, and the group will surely not be alone in this, cash considerations may have tempered the dividend increase and the higher payment is covered over three times. The yield at 147p. down 4p yesterday, is 6.1 per cent which like a fully taxed p/e of 7.9 is taking an entirely neutral view of the prospects.

#### Internatnl. **Distillers** soars

PROFIT OF International Distillers and Vintners for the six months to March 31, 1979, soared from £3.47m to £14.23m after tax and minorities. Sales by the group, which is a sub-sidiary of Grand Metropolitan were £43.23m ahead at £237.86m

This time there was tax relief of £682,000, compared with a £4.19m charge. For 1977-78 the surplus was a record £17.84m (£17.22m) pre-tax

#### 19 companies wound up

Orders for the compulsory winding up of 19 companies have ben made by Mr. Justice Slade in the High Court. They are: Building 2 Design, Fabler, Des-tination London, Victorush, Deacon, Davies and Fox.
D. M. Shefford and Co. (In

surance Brokers). Encliffe Grove Holdings, Wardhill Estates Connaught Engineering, Island Holdings. Factors, Woolshire. Art Shop Group of Companies, Cannon-quest, Volkauparts, A.T.S. Vend-ing, Space Design, Chess Valley Concrete (Sales), Racex and D. Roberts Foss.

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Caisse Nationale de Credit Agricole U.S.\$50 million

Floating Rate Notes due 1984

In accordance with condition No. 11 of the Notes,

notice is hereby given that for the six months period 15th June 1979 to 17th December 1979 Notes will carry an interest rate of 10.4375%

Relevant interest payments will be as follows:-Notes of U.S.\$1000 = U.S.\$53.64

FIRST CHICAGO

# Holts Another period

#### POINTS FROM MR. TOM HEYWOOD'S STATEMENT FOR 1978/79

of expansion

- ★ A 20% increase in pre-tax profits achieved and a maximum permitted dividend increase recommended.
- ★ U.K. Sales of D.I.Y. products went ahead by 24.2%. Overseas and export sales rose by 23% and Europe moved ahead strongly.
- The current year has started well. With two major acquisitions, Pro-Combur S.A. in France and LPS Research Laboratories Inc. in the United States, we are now solidly and profitably established worldwide. We continue to budget, with confidence, for aboveaverage growth.

	78/79 £'000	77/78 £'000 .	76/77 £'000	75/76 £'000	74/75 £000
Sales	35.15	29,39	22.32	17.00	14.08
Pre-Tax Profit	3.51	2.92	2.15	1.50	1.19
Earnings per Share	18.76p	16.28p	10.17p	7.08p	5.52p

Copies of the Report and Accounts are available from the Secretary, Holt Lloyd International Limited, Lloyds House, Alderley Road, Wilmslow, Cheshire SK9 1QT.

#### **EUROPE'S LARGEST CAR CARE GROUP**

# FOSTER BROTHERS

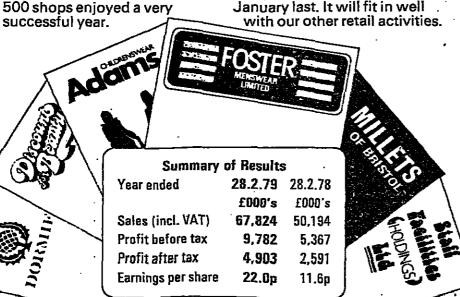
#### Clothing Company Limited

"Trading profit has surged ahead from £5.132m to a figure very nearly doubled at £9.885m . . . an outstandingly successful trading result"

H. G. High, Chairman.

Other salient points from the Chairman's circulated statement:

- A final dividend is recommended of 3.43373p which, with the interim, makes 5p for the year (2.8p).
- A scrip issue of 'one-for-one' is recommended.
- The Group has now upwards of 700 outlets and will continue to grow. Foster Menswear with 500 shops enjoyed a very successful year.
- Dormie shops and hire centres contributed satisfactory profits.
- Our planning provides for at least 12 new branches each year for Adams Childrenswear to add to the current 63 shops.
- Millets of Bristol with some 50 shops trading basically in casualwear and camping equipment was acquired in January last, It will fit in well



# Texasgulf lifts production

MINING NEWS

THE TIME is right for Texasgulf pany said that it has acquired because world demand for the essential resources it produces

cssential resources it produces will continue to accelerate. Dr. Charies Fogarty, the chairman, told Toronio financial analysts.

"Texasgulf is well-positioned as demand for its products grows. We have well located large reserves. We have efficient well-maintained modern plants in place with capacity being expanded." he said.

The group, which is based in Connecticut, is 30 per cent-owned hy Canada Development Corporation, the state-sponsored agency. Nearly half of its sales and 53 per cent of its pre-tax earnings come from Canada, writes John Soganich from Toronto.

First quarter metal sales were 60 per cent higher than in the same period of 1978, while operating income responded to the rise in metal prices and moved 142 per cent higher. Dr. Fogarty noted.

Production at the kidd Crook

Production at the Kidd Creek Production at the Kidd Creck base metals operation in Ontario is rising. This year 4m tons of ore will be milled, against 3.3m tons in 1978 and 3.6m tons in 1977. By the end of 1981, the concentrator will be able to operate at its capacity of 5m tons

year. Zinc plant production, held at to avoid the build-up of inventories, is now working at full capacity.

Kidd Creek operating costs are

is pushing ahead with metallurgical projects to reduce costs further. The recovery of tin and the recovery of additional value from pyrites are considered as metallurgical challenges.
At present Texasgulf is recovering only 3 per cent of the tin available, and the pyrites, which contain silver, zinc and tin are being stockpiled.

#### DIAMONDS LURE WHIM CREEK

Australia's Whim Creek. a nember of the Irish-Canadian Northgate Group, has joined the diamond rush" in Australia's

Kimberley region.

three diamond properties in the area. It has pegged 94 mineral claims in the West Kimberley Goldfield approximately 50 kilometres north-west of the Ashton diamond discovery.

A joint venture has been A joint venture has been started with a consortium of companies for diamond exploration of five temporary reserves adjoining the East Kimberly mobile zone. The temporary reserves are adjacent to areas where small diamonds have been

found.
The consortium is comprised of Metana Minerals, North West Mining, Haoma Gold and Uranium Consolidated. The third diamond exploration

concerns 12 mineral claims in the Cockatoo Bore area 75 km. south-east of the Ashton diamond

On gold, the company said feasibility studies for developing the Haveluck gold deposit have been completed, detailed engineering design commenced and operations planning initiated.

The feasibility study concluded that a heap leaching operation based on the Haveluck deposit would be attractive at prevailing gold prices. The operation would break even at a gold price of about U.S.\$159 an ounce and be financially attractive at U.S.\$195
—well below current levels.

#### NEW PLANT FOR LEPANTO

Lepanto Consolidated. copper producer in the Philip-pines, has received Board of Investment approval for the construction of a Pesos 67m (£4.4m) roaster plant with an annual capacity of 18,000 tonnes, reports Daniel Nelson from

The Lepanto prebody has a high arsenic content, which has made the company heavily dependent on Asarco of the U.S. for continued operation.

A statement from the Board of Investment said the new

plant would relieve Lepanto of existing problems in marketing copper concentrates and "allow it to forecast sales with greater confidence and plan a producimberley region. tion schedule over a longer In the annual report, the comperiod."

# OIL AND GAS NEWS

#### Mobil's second success offshore Sable Island

MOBIL CANADA has made a second gas find in a well drilled with partners near Sable Island agreement 85 per cent of any about 150 miles south/east of oil output goes to the Egyptian Halifax, Nova Scotia, reports Petroleum Organisation and 15 Robert Gibbens from Montreal per cent to the Japanese The Venture D-23 well flowed company. gas at a restricted rate of 22.6m

eet level. per cent of which is owned by A previous test 800 feat the semi-official Japan National deeper in the well flower gas at Oil. 10.2m cubic feet daily and con-

densate at 140 barrels daily. Another zone nearer 14,000 feet level will be tested next. Partners with Mobil are Petro-Canada, the national oil company, Texaco Canada, and Kaiser Resources Ltd.

Egyptian Petroleum Develop-ment Company has confirmed that it has encountered oil in a test drilling site on Egypt's Red Sea coast.

The company, a wholly-owned Japanese firm, has been prospecting for oil in the West Bakr area since 1975 under a joint development and production sharing agreement with the Egyptian Government.

The successful well, the fifth of six test wells, flowed oil at a rate of between 1,200 to 1,300 barrels a day from a depth of 2,300 feet. However, more time

ocmmercially viable.

Egyptian Petroleum Developcubic feet daily and condensate ment was formed in 1972 by a at 294 barrels daily from a consortium of 36 Japanese firms. 50-font interval below the 15.000 It has a capital of Y5.59bn, 46

> Central Pacific Minerals recently held in Sydney, the chairman Mr. Ian MacFarlane, told share-holders that negotiations aimed at finding partners for development of shale oil deposits in

> continuing.
> Discussions are being held through the company's merchant bank in New York with a number of American oil

Mr. MacFarlane said that about A\$280m (£150m) would have to be spent by 1982 to develop the deposits at Rundle, near Glad

Abu Dhabi increased crude oil exports to 131m barrels in the first quarter of year compared with 127m barrels in the previous quarter according to the official United Arab Emirates news agency. The increase was to

commercially viable.

However, Abu Dhabi's 1978 oil
The company declined to output fell 8.5 per cent over the comment on newspaper reports previous year's production to that the deposits would be able 730m barrels. Crude exports to produce 20,000 to 30,000 totalling 724m barrels also fell

Under the terms of the 1975

annual meeting of Northern Queensland are still

companies.

will be needed to determine help meet shortages on the whether the deposits would be international market.

barrels of oil a day on a com- 8 per cent below 1977 sales.

# Dorada pays £1.45m for three power saw companies

facture of power saws.

The purchases, says Dorada, are part of the company's policy of developing its manufacturing interests and reducing its dependence on the motor

The acquisitions will fit in with an existing Dorada subsidiary Charles Wicksteed and Company, which makes hydraulic saws for the engineering industry.

The new companies, Alexander The new companies, Alexander

Machinery (Dudley), Qualters and Smith Bros, (of Barnsley) and Richard Haighton (also of Barnsley), will enable Dorada's engineering group to produce equipment with a wider range of cutting equipment capacity than is presently available from

Wicksteed.
Combined profits before interest and tax and turnover of the three companies for the year to June 1978 were £326,000 and £4.07m respectively.
Consideration for the purchase has been satisfied by the issue of 1.5m Dorada shares and £512,000 in cash.

#### SUITS DIRECTORS ADVISE ACCEPTANCE

The dissident directors of Scottish and Universal Investments are now advising minority shareholders to accept Lonrho's increased offer rather than be locked in as an impotent minority group.

Dorada Holdings, the motor vehicle distributor and engineering concern, is paying a total of fl.45m for three companies which specialise in the manufacture of power saws.

themselves accepted the offer. Sir Hugh Fraser has also accepted on behalf of his family

SIEMSEN HUNTER

—APPROACH MADE

Siemssen flunter, the cigar importing and specialist publishing group, has received an approach from "an acceptable outside source who wish to begin discussions about a pussible assurance with the appunance. ciation with the company"

The directors stress that this is a preliminary approach and it is not possible to predict the

ADP SUSPENDED

outcome or indicate when

further announcement could

Shares in Amalgamated Dis-tilled Products were suspended at 48p yesterday, ADP's directors said discussions were taking sand discussions were taking place which may result in "an association with a third party" but this will not involve a general offer to shareholders.

HARDY FURNISHERS HARDI FURNISHERS, the subject of a tentatively agreed bid from Harris Queensway, has just boosted the value of its property portfolio by around £0.5m

Phillips Furnishing Stores, a subsidiary of Hardy, has just

The dissident directors of Phillips Furnishing Stores, a subsidiary of Hardy, has just paid £200,000 for a freehold property in Birminghau's High socked in as an impotent ninority group.

The three directors, Mr. Hugh

By marrying that property the next door shop the value of the total site; according to professional valuation fortnight ago, rises to £1.5m— surplus of £1m.

BARKER AND

DOBSON Mr. Harold Smith, a direct of Barker and Bobson Ground has resigned from the Board bowill be carrying on as a full-tin consultant to the company.

CLOSE BROTHERS
Close Brothers, which provid
specialist advisory services
larger private and smaller list
companies, announces that a ce
sartium, consisting of Lond
and Yorkshire Trust Holdin,
Safeguard Industrial Investment
and the present chairman a and the present chairman a executive directors of Clo Brothers, bas agreed to acqui all of the issued share capi of Cloe Brothers, and its a sidiaries, from the Consolidat Gold Fields Group.

SHARE STAKES Automotive Preducts—Pini Investments has bought furth 100,000 shares. E. G. Barra director, is also a director

Pinion.
Sekers International—Growood Securities holds 465, shares. Whitbread and Co.—W bread Investment Co. has bou 170,000 "B" ordinary sha making holding 5,023,636 " (45.44 per cent).
North British Propertie
K. Bell, director, has sold 20,

The purchase considerar will be \$600,000 and sturther amounts (if any)

# Simon Engineering expands in U.S.

Simon Engineering, the pro-ess plant and special machinery "Our planned growth over the roup which has just completed last 16 months has been rapid assets at that date were £259. cess plant and special machinery group which has just completed an £11m rights issue, is stepping Simon announced yesterday that it is paying at least \$2.5m (£1.33m) for the Allen and Garcia Company of Chicago, a move which the group save in move which the group says is in line with the policy of strengthening its position in energy-related fields. The pur-chase price could rise to \$4m (£1.9m) under an "earn-out" arrangement based on future

Allen and Garcia is a designer and contractor in the fields of coal preparation, washing, handling, storage, blending and unit

train loading.
A spokesman for Simon said the group has built coal prepara-tion plants in the U.S. in the past. The acquisition, however, would give Simon a direct entry into this market.

In March, Simon paid almost £4m for Unichem International of New Mexico, a supplier of specialised oil field chemicals.

Meanwhile, Mr. Harry Harrison, chairman of Simon, told shareholders at the annual meeting that he did not wish them to think the group's recent new ventures and acquisitions would he net contributors to com profits from the outset.

Much of the company's growth strategy, he added, had been built on the assumption that it will be some years yet before there is a return to the buoyant trade conditions of the late 1960s and early 1970s. Mr. Harrison said the results so far achieved "vindicate our decisions" and, despite the difficulties ahead, "the board is looking for further reasonable profit progression during this year."

**NSS NEWSAGENTS** NSS Newsagents has paid AJM Newsagents £851,000 for the County News Group of 16 shops. all situated in and around Leicester, thereby increasing their retail outlets to a total of

LADBROKE HOTEL Ladbroke bas paid £1.9m in cash for the entire issued share capital of the private company owning and operating the Pennine President Hotel at Hudders

field.

Mr John Jarvis, chairman and

and, with the recently announced acquisition of the Westmoreland

exceeding 1500,000 - to calculated on the basis of Y shire Lamp's pre-tax profits of The agreement provides the company may discharge Suter Electrical is paying a maximum of fl.1m for Yorkshire Lamp Company, importers and distributors of auto electrical purchase consideration by ment in cash and/or the issu such number of shares or lamps based at Leeds. The pre-tax profit of Y.L. for securities of the company.

CORAL INDEX: Close 480-485

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Association) looks after the

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peace and dignity. Help BLESMA, please, We need money desperately. And, we promise you, not a penny of it will be wasted.

#### **Amerada Hess Corporation**

Warrants to Purchase Shares of Common Stock, \$1 Par Value, of Amerada Hess Corporation

NOTICE IS HEREBY GIVEN that, pursuant to the provisions NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Section 3.A of the Warrant Agreement dated as of July 1, 1972 (the "Warrant Agreement") between Amerada Hess Corporation (the "Company") and The Chase Manhattan Bank (National Association) ("Chase") under which Chase and Banque Genérale di Luxembourg, S.A., are Warrant Agents, the exercise price and the number of shares of the Company's Common Stock issuable upor exercise of a Warrant have been adjusted by reason of a 21,7% stock dividend declared by the Company on shares of its Common Stock payable on July 30, 1979 to helders of record of such Common Stock at the close of business on June 15, 1979.

at the close of business on June 15, 1979.

Effective immediately after the opening of business on the first business day after June 15, 1979, the exercise price of a Warrant, after giving effect to such adjustment, was \$40.39 per share and the number of shares purchasable, as so adjusted, upon exercise of 8 Warrant was 1.189.

Warrant was 1.189.

No fractional share will be issued upon the exercise of a Warrant, to purchase said Common Stock. As to any fraction of a share which the holder of one or more Warrants would otherwise be entitled to purchase on such exercise, the Company shall pay the cash value thereof determined as provided in the Warrant Agreement.

Each Warrant may be exercised on or before the close of business. on July 1, 1979 on any business day.

Date: June 18, 1979

AMERADA HESS CORPORATION

# Hydro-Quebec

910 Debentures Series D.I. due 1st July 1993

US\$2,500,000 Debentures have been purchased on the market to satisfy the Purchase Fund requirements due lat July 1979

#### THE THROGMORTON TRUST LIMITED **Interim Revenue Statement**

The Board of Directors have pleasure in announcing the unaudited Revenue figures of the Company for the six months ended 31st May, 1979.

	Six months to 31.5.79 £	to 31,5.78	months to 30.11.78
GROSS REVENUE	1.719.916	1,558,679	3,489,712
Less: Administration and Interest	174,434	208,816	437,660
4	1,545,482	1,349,863	3,052,052
Less: Taxation	530,029	466,334	996,489
	1.015,453	883,529	2,055,563
Unappropriated Revenue b/fwd	685,671	681,139	681,139
	1.701,124	1.564,668	2,736,702
Less: Preference dividend	38,063	38.063	76,125
AVAILABLE FOR ORDINARY DIVIDEND	£1,663,061	£1,526,605	£2,660,577
EARNINGS PER SHARE—Fully diluted	2.31p	2,05p	4.78p
ORDINARY DIVIDENDS—pence per share	. <del></del>	<del></del>	
Interim 2.25p (1978—2.00p)	950,437	810,218	810,218
Final — - (1978—2.875p)			1,164,658
1	£ 950,437	£ 810,218	£1,974,906
Unappropriated Revenue c/fwd	£ 712,624	£ 716,387	£ 685,671

The net asset value allows for full conversion of the 84% Unsecured Loan Stock and values prior charges at par-

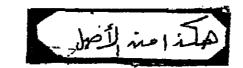
119.4p

91.2p

99.3p

At a meeting of the Board of Directors today it was resolved that an interim dividend of 2.25p (1978—2.00p) be paid on 3rd August 1979, in respect of the year to 30th November 1979, to shareholders on the register as at 6th July 1973. The dividend will be paid on the capital as increased by the compulsory conversion of the balance of 81% Convertible Unsecured Loan Stock outstanding. 18th June 1979

NET ASSET VALUE PER SHARE



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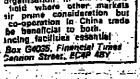
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NORTH AMERICAN NEWS

#### NLT 'not interested' in Ashland Oil deal

NASHVILLE—NLT Corpora on "Isn't for sale," Mr Russell L. Wagner, the chair man said yesterday.

Accordingly, he continued, the insurance holding company is not interested in any business combination with Ashland Oil or anyone else."

He added that the company recognises its obligation to consider carefully any offer which might be made, but " will resist any unilateral attempt to take over NLT which is illegal or which is at a price which NLT considers inadequate or which is otherwise not in our shareholders' best interest;."

His statement followed an announcement last week by Ash-land Oil that it had acquired an option to buy about 3m shares of NLT common stock at \$30 a share from American General

Meanwhile, in response to NLT's announcement, Ashland Oil said that any offer it might make for NLT's share; would be at a price beneficial to NLT shareholders.
Ashland said it "intends

promptly to review various proposals which if approved by the Ashland Board will be transmitted to NLT for its considera-tion." Ashland declined to elaborate on its statement. AP-D.I.

#### Decision today on GPU loan

By David Lascelles in New York A GROUP of major banks is to decide today whether to advance several hundred million dollars to General Public Utilities (GPU), owner of the Three Mile Island nuclear plant where an accident in March nearly crippled the company financially.

Mr. William Kuhns, the chairman of GPU, has warned that unless the company gets the credit as well as the right to pass on some of the costs to its customers, it faces " dire circumstances" including the possibility of bankruptcy, in the coming months.

AP-DJ reports from New Jersey — The New Jersey Board of Public Utilities has granted General Public Utilities a rate boost of about 6.1 per cent to help cover the costs of the accident at the Three Mile

# Harnischfeger files against Citibank over Paccar bid

confidential information by companies which are the targets of unwelcome takeover bids. In a court suit aimed at blocking Paccar's proposed \$178m tender offer at \$20 a share,

Harnischfeger Corporation claims that Citibank, which numbers both companies among its clients," breached its duty of undivided loyalty" by advising Paccar to launch the takeover. One of the basic operating principles of U.S. banking is the existence of an invisible "Chinese Wall" to ensure that information obtained from a customer in one area of a bank's

activities will not be used elsewhere. But the effectiveness of the wall has been questioned in an increasing number of takeover cases. At the end of 1977, Continental Illinois Corporation was caught up in the cross fire of the battle between Humana and

CITIBANK has joined the ranks of lenders accused of misusing confidential information by comtial information of other cusshould take all necessary steps to minimise the potential for conflicts of interest.

Last year, however, a bid for Washington Steel Corporation by Talley Industries was blocked by a federal judge in Pittsburgh when he objected to Chemical Bank financing the offer as well as being a lender to Washington Steel. Chemical is pursuing this to appeal, although Talley Industries subsequently dropped its bid.

More recently, F. W. Woolworth launched a case against Canadian Imperial Bank of Cemmerce, claiming that the bank had supplied information to Brascan which was used in launching the Canadian company's unwelcome \$1.13bn bid. CIBC was to lend \$700m to help finance the bid which American Medicorp. Court was withdrawn earlier this rulings in that case apparently month after forces hostile to established that a bank is free the takeover gained control of

Brascan. Woolworth has since terminated its borrowing from CIBC whose former chairman. Mr. J. R. Page Wadsworth. is tomers in its files and that banks no longer a member of Woolworth's Canadian board.

In its case, Harnischfeger notes that Mr. Charles M. Pigott, Paccar's chairman, is a director of Citibank which has been Harnischfeger's principal bank for many years. The suite claims that Paccar retained Citibank to advise on possible takeover candidates and that in October 1977 the bank provided a written analysis on a possible takeover of Harnischfeger.

"Citibank induced, aided and abetted Paccar's fraudulent scheme to hide from Harnischfeger the fact that Citibani was advising Paccar, partly because Citibank hoped to become the lead bank for the enterprise after the takeover of Harnischfeger," claims the court suit.

Citibank said yesterday the charges were completely unjustified.

# Brascan chairman to step down

BY ROBERT GIBBENS IN MONTREAL

MR. J. H. MOORE will resign trolled two thirds by Peter and as chairman and chief executive Edward Bronfman and one third of the big Toronto holding company, Brascan, following the defeated the Brascan attempt may not change, annual meeting on June 29. Mr. to take over Woolworth and late According to Moore was primarily responsible last week completed the acquisifor Brascan's abortive attempt tion of 50.1 per cent of Brascan. to take over F. W. Woolworth. Edper will now control the of Edper on the Brascan Board the giant New York based mer- Brascan Board and it had been

However, Edper Equities, con- resign.

assumped that Mr. Moore would

Mr. Peter Bronfman is expected to become chairman of by the Patino mining family, Brascan though the presidency

According to an information circular for the annual meeting of Brascan, the representative will support the continuation in office of the present officers of the company.'

## Brown-Forman sees profit rise

LOUISVILLE - Brown-Forman year "were about \$3.15" com-Distillers expects to report im- pared with \$2.45 in fiscal 1978. proved sales and earnings for the fiscal quarter ended April \$457.1m the year before. 30, according to Mr. M. L. Lyons As previously reporte Brown, Jnr., president and chief

or 64 cents a share on sales of

that per share earnings for the are going in the right direction." this year," he said.

Sales exceeded \$550m against As previously reported, for the nine months net income

In the fiscal 1978 fourth quare share from \$23.1m or \$1.80 while volume gain last year, ter, the company earned \$8.2m sales rose to \$407.9m from ' "While this was g

In fiscal 1979, all the company's major brands had sales increases and improved market shares and all but one had record sales.

Jack Daniel's Tennesee whis climbed to \$30.6m or \$2.40 a key registered a 20 per cent

"While this was gratifying we weren't anywhere near meet \$124.5m. "We're very optimistic about ing demand." Jack Daniel's
Although final figures are not fiscal 1980—barring a severe remains on allocation and there
available, Mr. Brown estimated economic downturn. The trends will be an increase in supply

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JUNE 2979

INTERNATIONAL CAPITAL MARKETS

#### China asks Japan for loan

By Our Euromarkets Staff

CHINA HAS formally asked Japan for a Government loan to help finance its big indus-trial modernisation programme, according to the Japanese Foreign Ministry. The request was made in Peking to Mr. Kensuke Yanagiya. Director-General of the Ministry's Asian Affairs

The Ministry in Tokyo yesterday gave no details of how much cash the Chinese wanted. But it noted that such loans are normally denominated in yen. The Japanese Export-Import

Bank has already signed a yen loan equivalent to \$2bn with China, while Japanese commercial banks have agreed on Such at basic conditions for a \$2bn loan and S6bn finance facility for Peking.

the Bulgarian Foreign Trade Bank is to raise DM 150m through a 10-year Eurocurrency credit, according to Badische Kommunale Landesbank International, the joint lead manager. The credit will carry a ; percentage point spread over interbank rates for the first six years, and } thereafter.

Elsewhere, Jamaica has signed an agreement to refinance about \$130m of public sector debt maturing over the next two years. The Royal Bank of Canada will manage\_the refinancing with First National Bank of Chicago. The seven-year facility was arranged along with the second-year programme of the extended fund facility of the IMF, and will complement other multilateral credits being negotiated by Jamaica.

Meanwhile, a \$100m tax-sparing loan to Korea Electric, the largest of its kind ever made any borrower, was signed in London yesterday. The facility was lead managed

by Hill Samuel and Midland Bank International. The term is 10 years at a margin! per-

Additionally, the Saudi British Bank and Antony Gibbs Hold-ings have arranged a medium term syndicated loan totalling 35m Saudi riyals for Marine Transport International of Jeddah. The 3½-year loan will be used to finance container handling equipment at Jeddah Port. No other terms were given.

#### Bell Canada challenges ruling

ST. ANDREWS-Bell Canada has asked the Federal Cabinet review a decision by the Canadian Radio-Television Telecommunications Commission which would permit CNCP Telecommunications to use its telephone lines for

transmissions.
Last May the CRTC ruled that CNCP, owned jointly by Canadian National Railways and Canadian Pacific, could use the lines. However, Bell Canada and eight other telephone companies in Canada submitted

appeals.
Mr. Fred Ibey, executive vice-president with Bell Canada, said if the CRTC decision is allowed to stand, it would be irreversible and would change the future of telecommunications in Canada Mr. Robert Munro, a lawyer for Canadian Pacific, said the

company has not yet had time to study Bell Canada's submission to the Federal Cabinet

#### **Touche Ross** Court victory

Supreme Court has ruled that the customers of a brokerage house do not have the right to sue an accounting firm for certifying misleading financial statements by the securities

The Court, handing a victory to Touche Ross, overturned a Lower Court ruling that the Securities Investor Protection Corporation and the trustee of Weiss Securities, a defunct brokerage firm, could sue for damages on behalf of Weiss customers who lost cash or securities in the collapse. The Court ruled 7-to-1 that

the provision of Federal Securi-ties Law concerning brokerdealer recordkeeping and reporting does not give private parties any right to sue for damages allegedly caused violation of the provision.

Anken stake Rhone Poulenc Inc., a wholly-

owned subsidiary of Rhone Poulenc, the French group, now has about 1.054,000 shares or about 89.4 per cent of the common stock of Anken Industries, shares at \$21 each. Reuter reports from Monmouth. The offer is being extended to July

Bank takeover

Heritage Bancorp has agreed in principle to acquire Coastal States Bank of Ocean City through a subsidiary for \$62, a share, Reuter reports from Cherry Hill. The deal is worth some \$9m. Coastal holds about \$64m in total assets.

# Attention shifts to D-Mark as dollar rally fades

BY FRANCIS GHILÈS

over the past few weeks is running out of steam. Prices of most straight issues were unchanged yesterday, but trading activity was described by most dealers as being at a low ebb.

Attention has shifted to the Deutsche-Mark sector, where Westdeutsche Landesbank was able to announce both a reduction in the coupon on the issue it is arranging for Norges Kommunalbank, from an indicated 8 per cent to 71 per cent, and an increase in the amount of the issue from DM 100m to

Such an increase is only possible after the lead manager has informally consulted the German capital markets subcommittee, which meets at monthly intervals to determine the new issue calendar for Deutsche-Mark bonds

Less than two weeks ago, the sub-committee decided to limit the new issue calendar for June to one issue. A second issue for the Inter-American Development Bank, which does not technically need to be included

arranged last week. Now there are rumours of a further issue, possibly for the World Bank. The turnround in the DM

sector has been very swift. When the sector was depressed last month and until the early part of June, there was evidence that the Swiss, French and Belgian banks were picking up DM-denominated paper, both in the form of foreign and domestic bonds, cheaply. The interest in buying DM paper has now spread, and although prices edged up only slightly yesterday, all participants vesterday, all participants agreed the market was very

the dollar sector, two French banks are issuing Floating Rate Notes. Société ing Rate Notes. Société Générale is sole lead manager for a \$50m 12-year issue for it-self. It is offering an interest Brazil's Electrobras is rate of 1 per cent over the expected to postpone a mean of the bid and offered three-month interbank rate, next month, Banque Meanwhile. l'Indochine et de Suez is float-

THE RALLY witnessed in the in the calendar because of its dollar sector of the bond market supranational status, was the six-month Liber rate with over the past few weeks is run.

of 10 years. Indosuez is le ing its own issue. Three foreign borrowers were planning to float y denominated bonds on Japanese capital market t month have decided to postpi their plans following the newed weakness of the Japan domestic bond market and rise in domestic Japan

interest rates. The Finnish electric po company Imatran Vuima, v had already last month ; - poned its planned issue, now done so indefinitely, borrower has been followed the governments of Thail and New Zealand, which h hoth also postponed the isthey were planning indefinit

issue it was planning to a To In the Swiss Franc sector. prices of seasoned issues v ing a \$40m FRN.

The borrower is offering an gaoins on some names. steady yesterday with si

## MAIBL chief slams new trends

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

who are increasingly tending to renegotiation was understand officials admit these fig demand renegotiation of loan able. However, where there exaggerate the extent of terms to reflect improved are no such rights, it is a very improvement since the bar market conditions come in for different matter, particularly as mow in the process of me severe criticism from Lord the margin is such a relatively towards "full disclosure."

Armstrong, chairman of small part of the overall cost process will be completed MAIBL, the consortium bank in of a loan at current interest year when true profits wi which Midland Bank has a sub- levels. One can imagine the revealed for the first time

tensified in international markets. "In addition to downward pressure on margins and changing in their favour." It is last year to £14.3m. The a general lengthening of new centage points ever interbank loan maturities, we have seen an increasing number of borrowers wishing to renegotiate in mind. loans to reflect these changes MAIBL and, for them, improved market conditions."

reaction if the lending banksstantial stake. reaction if the lending banks— Lord Armstrong says that to whom the margin is paracompetitive conditions have inmount—were to seek to break profits for the year may be in international their contractual commitments vided by MAIBL's le when market conditions were activity, which is up from understood that countries such crease is needed parti-as Mexico are the principal re-shelter corporation tax at \$ negotiators Lord Armstrong has cent on the gains of at

profit of £1.4m (\$9.3m) after all own shareholders during deductions and transfers to year—which has been tak Where there was a contrac- secret reserves, against £3.8m secret reserve.

EUROCURRENCY borrowers tual right to repay loans early, last time. However, M.

A rough guide in ta n mind. £12m arising from the dis MAIBL has reported disclosed of shareholdings in MA

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary it exists. For further details of these or other bonds see the complete list of Eurobond prices put

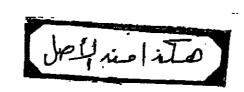
on the second Monday	of each month.
U.S. DOLLAR	Change on
STRAIGHTS ISSUE	
Alex Howden XW 912 91 30	554 564 -05 -05 11.30
Avco 0/5 Cap. 104 87 40	
Bayer Int. F. XW 74 89 200	8E's 85's 0 +0's 9.59
CECA 94 84-99 50 Canada 9 83 400	99 99½ -0½ +0½ 9.42
Canada 91, 98 350	98' 987 -01 +05 9.62
Canadian Pacific 94 89 50	99 994 04 0 9.87
Comulco Inv. E. 10% 91 40	99', 100', 0 -0', 10.26
Dominion Bridge 104 84 30	98 981 10.72
Daw Chem. 0/5 94 94 200	93°, 99°, -0°, -0°, 9.73 94°, 95°, -0°, +0°, 9.92 100°, 100°, -0°, 0 9.74
E!B 91, 98 125	1001 1001 - AL D 0 74
EIB 9% 86 150 EIB 9% 99 100	7002-107 -05-+05-10.02
EIG 97 87 150	1011, 1011, 9.83
EIB 10 99 150	1011 1011 - 9.83 1011 1011 - 10.08
Export Dv. Cpn. 9.85 84 1!	101 7 101 7 - 0 7 - 0 7 9.69
Export Dv. Cpn. 94 84 100	98 98 2 -01 0 9.71
Eksportfinans 9 86 50	964 964 -04 -04 9.88 98 994 -04 -04 9.88
Finland 91, 86 100 GTE Fin. 91, 84 50	981 GG N = NL 9.82
Gould Int. Fin. 94 85 50	993, 1001, 0 -01, 9.76
Hospital D/S 9 83 25	961, 971, -01, 0 8.88
Hudson Bay Co. 10 94 50	95', 99' 0' -0', 9.82 99', 100', 0' -0', 9.76 96', 97', -0', 0' 8.88 101', 101', -0', 0' 9.79
Itel Finance 93, 90 30	514 SEA U -ULTI.00
Itel Finance 1012 93 40	94 94½ -0½ -1½ 11.31 97½ 98½ -0¼ -0¼ 9.82
Manitoba 91, 89 75	974 984 -04 -04 9.81
New Brunswick 94 84 75	98', 98', -0', -0', 9.92
Newfoundland 10 94 50	1001, 1011, 0 -01, 9.87
Norsk Hydro 94 94 50	987 964 -04 -04 9.75
Norway 93 84 150	1011, 1013, -03, +03, 9.59
Norway 912 84	991, 991, -01, -01, 9.65 981, 991, 0 +01, 9.93
Occidental Fin. 10 84 50	993 1004 -04 +04 10.28
Occidental Fin. 104 84 50 Pennwalt O/S F. 94 84 25	99% 59% -0% +0% 9.84
Portland 10 84 50	973 984 - 04 - 04 10.53
Ouebec Hydro 10 99 75	967 97% — 0% — 0% 10.34
Redland Fin. XW 91, 91 25	93 934 -04 +04 10.51
Sears Roebuck 9 82 150 Stockholm 93 94 60	981, 981, -01, -01, 9.68
Sweden 24 89 100	993 1002 0 403 9.76
Sweden 91z 86 200	993, 1003, 0 0 9.72
U.S. Leasing Intl. 10 84 20	1003, 1013, -03, +03, 9.95 993, 1003, 0 +03, 9.76 993, 1003, 0 0 9.72 973, 973, +03, 0 10.64
DEUTSCHE MARK	Change on
STRAIGHTS Issue	d Bid Offer day week Yield
A P. Las ET AT	00 001 101 107 5.00

DEUTSCHE MARK				Change	ort	
STRAIGHTS	Issued	Bid	Offer	day we	ak Y	eid
American Ex. Int. 512 87	70	93		+0% +		5.66 .
Argentina 612 88	150	90		0 +		3.01
Argentina 71, 89		943	95%	+0% +		3.26
Australia 6 88	250	931		-05 +		5.92
Austria 54 90	150	875		+05 +		7.35
Banco Desarrollo 74 86		96 '		+05+		7.98
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Ba. Ext. Algeria 74 65		1834		+64 +		.47
Brazil 74 87		961		+04 +		7.87
CECA 6 88	150	891		+0-+		7.52
CECA 7 91		967		0 +		7.37
Capenhagen City 6 90	75	871		+04 +		.64
Council of Eur. 64 88	130	914	92	'ŏ"÷	œ.	.50
Council of Eur. 74 89	100	98 1	921	-č. +		7.50
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Denmark 61, 89	100	194		+05 +		7.33
EIB 6 90	300	88		+04 +		7.58
EIB 61- 91	200	924	925	+0-+		7.50
51B 7- 89	200	391	997	+0- +		7.67
Eletrobras-Brazil 7 87	100	944		+0. +		7.93
Furofima 6-2 89	100	977		+35 +		.75
Finland 6 83	150	98 T	984	-02 +	0½ 6	.49
Indonesia 7 84	100	9612	96	+0	05 7	7.85
Megal Fin, 7 89	<b>750</b>	1981	99	+01 +	14 7	.78
Mirsubishi Chem. 61, 84	70			+05 +	07 €	.49
New Zealand 64 87	200	95%	961	0 +		.94
Nippon Kolan 612 84	100	32r <sup>2</sup>	100	+02 +	1 8	i.55
Nippon Tel. & T. 512 87	100	90°		+0, +		7.77
Nordic Inv. Bk. 64 86	60	95	9512	0 +		.18
Norway 61 84	200		100%	+05 +		.12
Oscidental 64, 90	150	93	931-2	+04 +	קים 7	.65
OKB 612 88	100	954		- <u>a</u> +		.01
OKB 6 87	40	†91		-05		.54
Statoil 6 88	150 150 °	91.5	91%	+07 +		.32
Statoil 62 89 Tol-yo Elec Pwr. 62 85	201			+%*		3.95 7.08
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Oscidental 63, 90	150	93	931-	+04	+07	7.65
OKB 51, 28	190	95%	96%	- 0	+01	7.01
OKB 6 87	40	<b>+91</b>	914	-05	034	7.54
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AAGUG BAUK OA 90	-100	21.3	32	TUN	+114	7.49
SWISS FRANC				Chan	de cu	
STRAIGHTS	isaved				week '	Yield
Amer. Exp. Int. 31, 93	40	91	912	+0%	+13	4.32
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Australia 35, 89	250	921,			-01	4.57
Brazil 44 88	100	921	93	Ō`	- 14	5.24
Canada 31,89	300	921,	92%	-0-	-04	4.58
Chase Manhatton 4 93	70	97 -			+23	4.26
Council of Eur. 44 90	100	9312	94		÷Ž.	4.97
Bankamerica 34 93	. 80	94 `	941,	+2		4.29
BNDE 5 88	75	29		+17.		5.10
Denmerk 41 90	100	971,	38.	+01	+012	4.78
F. L. Smidth 412 89	25	9612	97	Ŏ.	+24	4.91
Heron 44 89	35	911		+Õ4		5.41
ICI Fin. NV 31, 94	230	891			+14	4.46
Malaysia 4% 90	80	954	951.	-01	+0.	5.30
New Zealand 312 94	120	90	901	+04	+ž	4.43
OKB 3% 91	100	201 <sub>4</sub>		Ö		4.84
Pland Ost, Lande 4 90	60	911,		+0.		5.00
Philippines 43 89	50	96		+0		5.25
Sandvik 4 90	85	915	92	+2	+3%	4.96
Spain 4 91	100	90 "	90%	÷õ~	÷ŏ٠	5.11
Vienna 4 93	100	911,	92		+37	4.81
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YEN STRAIGHTS	1	n:	<b></b> -	Chan	ge on	<i>.</i>
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	OTHER STRAIGHTS	işsye		Offer		
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			963	975	+07	-0
	Avco Fin. 10% 85 C5 Ex. Dev. Cpn. 10 84 C5 Fst. Can Inv. 10 84 C5 Hudson Ray 10% 89 C5	50	991	997	-07	70
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i	Solvay et Cie 9'a 87 FFr	125	56	2/-	u	
	l · Total Oil 94 87 Ffr	750	94	957	-0,9	ᅳ떴
	Unilever 10 85 FFr	100	gqs,	992	-74	
i	CECA 93 89 £	20 20	50°2 897	911/2	-04	- 42°
ł	EIB 93 88 £	25	904		-05	-1"
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1	Finance for Ind. 13 91 £	15	100%	1013	-04	-25
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i	Euratom 8 87 LuxFr	500	974	381	$-0_{1}^{*}$	-04
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ĺ	BFG Fin. Cp. M5.5 89	0,	914%	Lit. 12	. 7 1	2.4
ı	Cenco di Rome M6 87	Q2.	984 11	9 26	/10 1	1.79
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I	Banco Prov. BA M74 86	03	984 9	29- 12	76 1	7
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ı	Bank of Tokyo M52, 93	D)*	984 953 983	991, 18	/10 1	13
ĺ	Bq. Ext. d'Alg. M7.5 85	0.° 04°	30's	2014 A	/ IT 7	7
ı	BNP 51, 91	0.	981. 991. 1	30 -44 30 -46	/6 +	69
ı	Creditanstalt M5 91	O.	90.3	14	/9 1	77.
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"No information available—previ † Only one market maker sup-right Bonds: The yield is the yield sid-price: the emount issued is in hits except for Yon bonds whe hange on week = Change over price



# Five month upsurge for Olivetti

BY RUPERT CORNWELL IN ROME

fice equipment group, yester reorganisation programme put financial year.

ly reported a jump of more into effect over the past year.

Net profit de (\$8.1m) from this year. Group sales also a drop in group profits to L2.1bn e running strongly shead of from L5.3bn in 1977, despite

per cent between January was presented at the weekend to May to L316bn (\$370m). At by another of Haly's largest

mover and an improved profit running, the company falled to end for the first five months pay a dividend after suffering significant sales of fixed assets. The lyrea-based concern said A less encouraging picture at parent company sales rose was presented at the weekend

LIVETTI, the electronics and of Olivetti, after the major debt share from L80 in the previous recent sharp rise in labour costs

Net profit declined to L6.9bn Interbanca, a medium term net proceeds of L26.5bn (\$31m) Pirelli skyscaper in Milan to the Lombardy regional authorities The group says it plans to carry rent financial year.

within Italy.

(\$8.1m) from Li0.1bn, despite credit bank, is making a L60bn bond issue with a floating interest rate. Reuter reports from the sale of the famous from Milan. The issue will have a maturity of five years and be

issued at par.
Interest will be 13.5 per cent other net losses over to the cur- for the first year with the remaining four year netting a the same period.

The holding company, Pirelli demand, thanks to the longer banks, Maximum and minimum the recovery in the fortunes the year to April 30 to L45 per demand, thanks to the market and the market and the same period.

The holding company, Pirelli demand, thanks to the longer banks, Maximum and minimum demand, thanks to the longer banks, Maximum and minimum demand, thanks to the longer banks, Maximum and minimum demand, thanks to the longer banks, Maximum and dominate the market and the longer banks are contained as a long to the monthly yields division. These stem from poor of bonds issued by Italian demand, thanks to the longer banks, Maximum and minimum demand. Pirelli's difficulties mainly return based ont he annual

#### Electrolux in Canadian saw deal

ly Victor Kayfetz in Stockholm ECTROLUX, the Swedishsed home appliance, office sipment and machinery sup, disclosed yesterday that was trying to buy control of Canadian power saw manuturer, Pioneer for roughly r 20m (\$4.6m).

preliminary agreement eady signed with one owner up concerns less than 50 per if of the shares in the intreal-based company, and totations with other owner ups are continuing, accord-to Electrolux.

tockholm press reports yesiay suggested that Electrohad reached agreement on chase of half the shares in neer, which has 300 ployees and produces about ,000 saws annually for th American, European and an markets.

the purchase goes through will increase the power say acity of Electrolux to 000 units per year, giving tore than one-sixth share of total world market. he deal requires approval both Swedish and Canadian

norities, and Electrolux cipates that the change of ernment in Ottawa may ite some delays. the past two years Elec-

ux has acquired the main dish manufacturers of er saws — Husqvarna, Jon-d and Partner—and is now idinavia's largest company this field, with North prica as its biggest single

month the Swedish inational bought Norway's power saw company, Jobu, the Norwegian metals and strial group Elkem-Spigeret and plans to integrate activities of the 185 loyees with those of the Swedish power saw con

rly this year Electrolux hased tools, designs and pment for making hobby from the Skil Corporation he U.S. National Union tric, an Electrolux subry, will manufacture the at a factory in Blooming-

ie Electrolux group last showed a pre-tax profit of 677m (\$155m) on turnof SKr 12bn (\$2.7bn) and cts pre-tax earnings to by at least 10 per cent in

#### emand rising t Merck

Guy Hawtin in Frankfurt CK GROUP, one of West

any's leading pharmacal manufacturers, reports 5 per cent increase in world for the first four months

e management reports that

1e year.

tess has progressed satisfar-not only in the pharmacal sector but also in the and insecticide divisions. year's sales increase is ing ahead of 1978's growth when sales increased by 9.9 ent to DM 1.62bn (\$855m) ring the first four months e year domestic sales rose .6 per cent after a slow ming. However, exports ded the main growth, rising er cent during the same d. The profits position "is good," although oil price have bred some uncer-

REIGN BANKS IN SPAIN

## Setback for German retailer

BY ROGER BOYES IN BONN

LEADING West German department store group Karstadt recorded a sharp decline in profits last year and expects only a slight recovery in margins during 1979.

The group, as one director put it, is still suffering from digestion problems. When Karstadt took over the Necker-mann group two years ago, it believed it would be able to turn the ailing department store and mail order group into a profitable concern by the end of 1979. This now looks

extremely unlikely.

Karstadt's profits dropped from DM 70m in 1977 to DM 66.2m last year, a level considerably less than half of the 1975 peak of DM 152m. After Necker-mann's losses of DM 40m are

1.1m square metres to 12m mann concern — the travel square metres in 1978 but in agency, house purchasing and mail order wings — showed a According to Dr. Walter Deuss, last year and are likely to play board member, this was due to "unforeseen personnel prob- in Karstadt. lems." Karstadt management teams have had to be installed in Neckermann stores, while Neckermann employees have had to be integrated into the Karstadt operation, thus pushing up training costs. This led to considerable dislocation, and

has meant that the group has not been able to maximise the advantages accruing from a national rise in disposable income.

The takeover of Neckermann profit-makers in 1980. Three increased selling space from other branches of the Neckerreal terms sales fell slightly. healthy increase in turnover

Karstadt expects the Spanish fuel prices to bite into the margins of the travel branch, N. U. R. Neckermann Reisen

during 1979. Beiersdorf, a leading West German manufacturer of cosadhesive products confidently expects good results from 1979 after a sales rise of 12.5 per cent in the first five months In fact Beiersdorf expects world taken into account, overall Karstadt, however, is confi-wide sales to rise by 11 per group profits dropped to DM dent that the Neckermann cent in 1979 from the DM1.4bn department stores can become achieved in 1978.

## Sales increase at Ruhrkohle

BY OUR BONN STAFF

RUHRKOHLE, West Germany's principal predicer of hard be able to account for several 12m tonnes by the end of 1979. coal, is urging the Government to consider a greater role for coal in the solution of the country's energy problems. This emerged from a speech by Dr. Karoe Karlheinz Bund, Ruhrkohle chairman, in which he announced a 10 per cent increase in sales during 1978.

Dr. Bund said that coal and nuclear power were complementary sources of energy and that together they continued the answer to the energy difficulties the upswing in the steel further smokeless fuels as well likely to be faced in the 1980s. The world's coal, he said was underexploited. Despite the existence of 900bn tonnes of tonnes is expected to be a sold from DM 264m to DM 400m hard, and reserves are sold from DM 264m to DM 400m hard, and reserves are sold from DM 264m to DM 400m hard, and reserves are sold from DM 264m to DM 400m hard, and reserves are sold from DM 264m to DM 400m hard, and reserves are sold from DM 264m to DM 400m hard, and reserves are sold from DM 264m to DM 400m hard, and reserves are sold from DM 264m to DM 400m hard, and reserves are sold from DM 264m to DM 400m hard, and reserves are sold from DM 264m to DM 400m hard, and reserves are sold from DM 264m to DM 400m hard, and reserves are sold from DM 264m to DM 400m hard, and reserves are substituted as substitute to the key factor of coal, has launched a large of

-thus the reserves alone should to fall by about 50 per cent to decades of restrained energy the possibilities of coal lique-faction projects. Ruhrkohle reached a

"balanced" result last year after 1977 losses of DM 10m, which were carried over to the 1978 account. The turnround was partly brought about by continuing high government possible ecological side-effects subsidies, but the key factor of coal, has launched a large appeared to be a 10.4 per cent rise in overall sales boosted by investigate ways of developing

consumption, quite apart from benefits from the increasing cost of other energy sources, Dr. Bund said. Both industrial and domestic heating oil were now substantially more expensive than coal.

Ruhrkohle, to government doubts about the hard coal reserves, angual con-sumption was only 8.45 tonnes coal at the pithead are expected government subsidies. (\$211.5m), buoyed again by

#### Norsk/Hydro planning fertiliser acquisition

BY FAY GESTER IN OSLO

Compagnie Neerlandaise de l'Azote (CNA)—with an annual turnover of around \$200m. An announcement in Oslo said that if the deal was approved by the companies concerned, the formal transfer would take place

its Norwegian plants.

NORSK AYDRO, Norway's obtains its raw materials from largest industrial concern, is the Groningen gas field. Hydro planning to acquire a Belgian says that if it acquires the com-Dutch, fertiliser company—pany it will study the possibility of using natural gas from the Nerwegian sector of the North Sea.

Annual production capacity at CNA includes 700,000 tonnes of ammonia, 580,000 tonnes of nitric acid, 730,000 tonnes of in the early autumn. The largest urea, 400,000 tonnes of calcium present owners of CNA are litaly's Montedison (69 per cent) and ICI (25 per cent). By acquiring CNA, Hydro expects to shows growth in turnover of 18 strengthen its position as an per cent for the company for interesticated manufacturer. international manufacturer of the four months to April, and fertiliser products. It believes improved sales for all of the the move would also benefit main divisions except elec-sales of fertiliser products from tronics, writes Lance Keyworth from Helsinki. Nokia's sales rose CNA, with manufacturing to FM 765m (\$191m) compared facilities in South Holland, with FM 651m a year ago.

#### New U.S. owner for French bank

Corporation of the U.S. to bank. Financial details of the acquire a controlling interest in deal have not been disclosed.

PARIS — Agreement in prin- Societe Radiotechnique, another cipal has been reached for Philips group unit, has a 23.4 General Motors Acceptance per cent shareholding in the Banque Radio-Fiduciaire, a Cie Francaise Philips, said

French private bank owned by that after the entry of General

Cie Francaise Philips.

Motors Acceptance the bank

Philips, a wholly-owned

French subsidiary of the
Philips electrical group of to approval by the French

Holland, has a 68.7 per cent interest in Radio-Fiduciaire.

AP-DJ

#### Higher sales at Turkish builder

By Metin Munir in Ankara

TURKEY'S Seizai Turkes-Fevzi Akkaya group, the country's biggest construction conglomerate which has contracts in North Africa and the Middle East. reports record turnover of \$106m in 1978, an increase of 18 per cent.

The group, which carries the names of the two engineers who set it up in 1938, contains 14 companies. It employs nearly 7,000.

Sezai Turkes-Feyzi Akkaya construction company is the biggest in the group, accounting for nearly half of total turnover. This company has four contracts in Libya amounting to \$280m, including the two stages of the Tripoli harbour expansion, construction of harbour, quay and piers for the Sidi Blaal naval port and the Tripoli Fiat car factory. The \$122m contracts in Saudi Arabia include pedestrian tun-nels and a jetty construction.

Temel Engineering, which is a member of the group, is building energy transmission lines in Abu Dhabi. The contract is worth DM 400m. The group's main contracts in Turkey embrace harbour, jetty and marina construction.

# ersistent calls for less state control

DRID - Foreign banks for the new arrivals. ng branches in Spain have Spanish banks have long I for help from the gov-enjoyed "protection" and will us to turn a profit," said Santander.

tely that he hoped com- branches.

ent to challenge large and not readily give up their privient to challenge large and not readily give up their privimitenched domestic cominteracted domestic comleged position. "Spanish banks but had a bombshell effect on
its. "We've only come here eren't the most efficient in the foreign bankers, who had
act of faith that the govworld but they know their marexpected to make virtually all
of their loans in foreign currestrictions that make it hranches," said Luis Kothe, rencies in their first years of
assistant director of the foreign operations.

The restriction is achieved. s or obtain pesetas and department of Banco

ent hopes the foreign banks year. The move, part of the help modernise the counbanking industry. One economy, limits foreign banks the help modernise the counbanking industry. One economy, limits foreign banks of foreign banks on state sup-

tely that he hoped comon from foreign banks. Three foreign branches have
if drive down interest costs already opened despite conpur investment in indusfrom about a recent reserve
However, the politicians requirement that discourages
a battle on their hands if Spanish banks and companies
are to convince demestic from obtaining loans in foreign
are to convince that corrected that corrected the relief of the convention of the relief of the corrected that corrected the relief of the re to accept policies that currencies. The ruling, made in other deposits for six months or lated make business life easier. April, forces horrowers to set less. The foreigners are eager AP-DJ

an interest-free account. It was designed to discourage capital inflows that finance inflation

The restriction is scheduled to expire in October and Sr. eneral manager of a lead.

The government has auth- Jose Ramon Alvarez Renducles, S. bank.

So part, the Spanish gov.

The government has auth- Jose Ramon Alvarez Renducles, orised 10 foreign banks to open Governor of the Bank of Spain, branches this year and five next recently said he didn't believe

they need a source of pesetas Spain's interbank market is currently very limited. Govern-ment regulations bar participation by institutions such as insurance companies, invest-

fore the only institutions involved and the result is an unstable market and an unreliable source of funds. The rate on one-month deposits soared to 29 per cent from 14 per cent in less than two months earlier this year. "The Government will eventually have to allow other financial institutions to enter the market but they will have to do a lot of soft-soaping because the big domestic banks won't like it," a prominent U.S. banker specu-

ment funds, unit trusts, or industrial corporations. Commercial banks are there-

This announcement appears as a matter of record only.



#### TEOLLISUUDEN VOIMA OY - INDUSTRINS KRAFT AB

(TVO Power Company)

Private Placement 250,000,000 Luxembourg Francs 1979-1986 Guaranteed Bonds

> Unconditionally and irrevocably guaranteed by The Republic of Finland

Kredietbank S.A. Luxembourgeoise Kansallis International Bank S.A. Union Bank of Finland International S.A.

This announcement appears as a matter of record only.



#### **WUH FINANZ AG**

#### **WESTLAND UTRECHT HYPOTHEEKBANK N.V.**

Private Placement 250,000,000 Luxembourg Francs 1979-1984 Guaranteed Bonds

Arranged by

Kredietbank S.A. Luxembourgeoise Pierson, Heldring & Pierson N.V. Algemene Bank Nederland N.V.

Underwritten and placed by

Kredietbank S.A. Luxembourgeoise



**NEW ISSUE** 

Williams, Glyn & Co.

May 1979

April 1979

# CITY OF COPENHAGEN

25,000,000 European Units of Account 81/4 per cent. 1979 - 1991 Bonds

Kredietbank International Group

Algemene Bank Nederland N.V. Deutsche Bank Aktiengesellschaft

Kuwait Investment Company (S.A.K.) Smith Barney, Harris Upham & Co. Incorporated Privatbanken A/S

May 15, 1979

Crédit Commercial de France Kansallis-Osake-Pankki Nederlandsche Middenstandsbank N.V.

Société Générale de Banque S.A. Westdeutsche Landesbank Girozentrale

Bank Brussel Lambert N.V. Bache Halsey Stuart Shields Banca del Gottardo Banco di Roma Bank of America International Bank Gutzwiller, Kurz, Bungener (Overseas) Bank of Helsinki Ltd. The Bank of Tokyo (Holland) N.V. Bankers Trust International Bankhaus Hermann Lampe Banque Générale du Luxembourg S.A. Banque Française du Commerce Extérieur Banque de l'Indochine et de Suez Banque Louis-Dreyfus Banque Internationale à Luxembourg S.A. Banque Ippa S.A. Banque Nationale de Paris Banque de Neuflize, Schlumberger, Mallet Banque de Paris et des Pays-Bas Banque de l'Union Europeenne Berliner Handels- und Frankfurter Bank Banque Worms Bayerische Landesbank Girozentrale Bergen Bank Caisse des Dépôts et Consignations Caisse d'Epargne de l'État Centrale Rabobank Chase Manhattan Christiania Bank og Kreditkasse Citicorp International Group Commerzbank. Compagnie de Banque et d'Investissements (Underwriters) S.A. Continental Bank S.A. Creditanstalt-Bankverein, Crédit Général Crédit Industriel d'Alsace et de Lorraine Crédit Lyonnais Credit Suisse First Boston. Deutsche Girozentrale - Deutsche Kommunalbank -Daiwa Europe N.V. Den Danske Bank Den norske Creditbank Dresdner Bank Effectenbank-Warburg European Banking Company Dewaay & Associés International S.C.S. DG BANK Girozentrale und Bank der österreichischen Sparkassen. Genossenschaftliche Zentralbank AG Gefina International Ltd. R. Henriques jr. Bank Industriebank von Japan (Deutschland) Hambros Bank Kjøbenhavns Handelsbank: Kleinwort, Benson: Kredietbank N.V. Kredietbank (Suisse) S.A., Kuhn Loeb Lehman Brothers International Landesbank Rheinland - Pfalz und Saar International S.A. Landesbank Schleswig - Holstein Girozentrale E van Lanschot, Bankiers McLeod Young Weir International Merrill Lynch International & Co. Morgan Stanley International Manufacturers Hanover Nederlandse Credietbank N.V. The Nikko Securities Co., (Europe) Ltd. Nippon European Bank S.A. Orion Bank Nippon Kangyo Kakumaru (Europe) Nomura Europe N.V. Norddeutsche Landesbank Girozentrale Österreichische Volksbanken PKbanken Postipankki Godme Raaschou Scandinavian Bank Schröder, Münchmeyer, Hengst & Co. Skandinaviska Enskilda Banken Société Générale Société Bancaire Barclays (Suisse) S.A. N.V. Slavenburg's Bank Svenska Handelsbanken Société Générale Alsacienne de Banque Sumitomo Finance International Swiss Bank Corporation (Overseas) Union Bank of Finland Ltd. Union Bank of Norway Ltd. Vereins- und Westbank J. Vontobel & Co.

Wood Gundy

Dean Witter Reynolds International, Inc.

American Express Bank A.E. Ames & Co. Amsterdam-Rotterdam Bank N.V. Andelsbanken A/S-Danebank Andresens Bank A/S

#### N.V. BELEGGINGSMAATSCHAPPIJ WERELDHAVE

546,460 ordinary bearer shares of DFI 20 have been placed with institutional investors

HILL SAMUEL & CO. LIMITED

KEMPEN & CO. N.V.

Amsterdam

advised the company on this transaction

May 1979

MARINE CONTAINERS

# Tokyu Car lifts the lion's share

enthusiasm and foresight in acquiring capacity at a time when its competitors were thinking on much more modest lines, and of the pattern of Japanese trade, which made it almost inevitable that the world's leading container maker chould be Innecession. should be Japanese.

Japan is, par excellence, a raw materials importing and manufactured goods g exporting country, which means that its imports tend to arrive 'hose' while its exports need to be while its exports need to be packaged. Since the ultimate orm of packaging today is the 20-foot or 40-foot marine container Japan could hardly fail to become a major container exporter.

The container revolution did not originate in Japan, but in the U.S., where Matson Line took the lead in containerising its Los Angelos-Hawaii cargo containers, not in the slightly service in the mid-sixties. Mat-

ABOUT 40 per cent of the marine containers in use throughout the world were made by one Japanese company, Tokyu Car Corporation. This is the result of Tokyo's enthusiasm and foresight in acquiring capacity at a time their competitive strength. This tainers owned by the seven major international container stage. Yokohama in 1965.

Tokyu started with the capa-city to build 755 of the 20-ft containers (or half as many 40 fcoters) per month at its Yoko-hama works but soon added a parallel production facility at Osaka (Japan's other main port) and then duplicated both the Osaka and Yokohama produc-tion lines. By 1976, after investing about \$50m (exclud-ing land costs) Tokyu had reached the point where it could produce 10,000 20-ft containers per month at its two facilities.

Its total cumulative output by the end of 1978 (nearly all of it still in active service) was 430,000 units or roughly 40 per cent of the number of contoiners built in the world as a whole.

Tokyu specialises in steel

shipping companies.)

Tokyu Car's Mr. Enji Nakaso, who was in at the birth of the

Tokyu Car Corporation set up its first marine container production line 14 years ago and has since built 40 per cent of the world's containers, a market which provides Japan with a \$400m export industry

container revolution, says there is now a direct relationship between Japan's export perform-ance (or more precisely the ratio between the growth rate of its manufactured imports and son was quick to extend its serdurable aluminium variety exports) and the state of the
vice west to Japan, where tmanufactured by, among container market. The boom
Japanese shipping lines, led by others. Fruehauf). It claims a years 1977 and 1978 for Japanese
NYK, were quicker still to 60 to 70 per cent share of the exports, were thus good years
realise that they would have to world output of steel containers for the container industry,
start using containers, or lose and a dominant share of con-

rapidly larger from now on.

Mr. Nakaso says that patents are not involved in container manufacturing—the product after all is basically nothing more than a big steel box. But experience and specialised know-how is involved in the lay-

analt while imports are rising.

Production this year could be cut back to 90,000 units from last year's 120,000, but that does I last year's 120,000, but that

Japan as the first multination container manufacturer. Insi-Japan, containers may face difficult year or two, but not difficult as to undermine the status as a \$400m export indu

# Near record price for Hong Kong site

BY PHILIP BOWRING IN HONG KONG

A SITE of 4,500 sq metres in a prime area of Hong Kong's Tsim Sha Tsui district was sold surprise, in view of that the fa at a Government auction for that a 20 per cent downpayme HKS400m (U.S.\$78m), very was demanded, against 10 r close to the record price for a cent when first put up similar site reached last auction. Furthermore, the pri to HKSSS,SS9 a sq metre, comparison has risen from 8 r pared with the record HK\$89,855 cent to 18 per cent. paid for a Tsim Sha Tsui site of 1,380 sq metres last October. The successful bidder was Mr. Cecil Chao, chairman of

Wr. Cecil Chao, cherman of Wah Kwong Properties, who was acting on behalf of a consortium of several property companies including Wah Kwong. The sale was regarded as highly significant because this same site was withdrawn auction last year when from auction last year when bidding failed to surpass HK\$350m. That sparked off fears that the soaring land market was headed for a sharp

close to the record has cau

Meanwhile, Tal Properties a major local p perty owner and developer l' announced a rise of some per cent in profits for the ye to March, to HK\$84.4: (US\$16.5m), from HK\$52.5m the previous year. In addituthe company made extordinary profits of HK\$26.9 compared with an extraording loss in the previous year.

The final dividend has be raised 1 cent, to make a total 11 cents for the year, compar with 9 cents.

#### Solid first-half advance seen by Toyo Kogyo

TOKYO-Toyo Kogyo Com-pany, the makers of Mazda cars, year ended April 30 "more than doubled" to about Y12.7bn (\$57.7m) from Y6.16bn in the same 1978 period on sales increased to about Y396.00bn (\$1.8bn). from Y323.67bn.

The company plans to year before.

results on July 3. Toyo Kogyo said it attributed the expected sharp rise in profits mainly to a fall in production costs, following a reduction of its workforce and increased production. Increased sales of profitable high-quality rotary engine cars had also been

a contributing factor. The company said that vehicle production rose about 18 per cent in the first-half, from the level a year earlier, to about 470,000.

Toyo Kogyo has reached a basic agreement to transfer a 20 per cent interest to the Ford Motor Company of the U.S. After-tax profits of Y1.13bn

were reported for the year ended October 31, 1978, on sales of Y628.26bn. Profits before tax and special items in the year were Y8.20bn.

The company's motor vehicle Profit per share went down production in May totalled to Y34.77 from Y35.87.

75,344 units, up 33.8 per cent Domestic sales, accounting from the same month last year, but down 3.9 per cent from the April level.

Overall sales in the month totalled 79,084 units, up 23.7 per cent from May, 1978, but down 3.1 per cent from April. Exports amounted to 48,745

units, up 23 per cent on the year and up 14.3 per cent on the month. Domestic sales were 30,609 units, up 24.9 per cent on the year Agencies

#### Record profit and sales at Suntory

TORYO — Suntory, Japa largest whisky distiller, rai said that it expects to report its parent company net protection that profits before tax and by 41 per cent in the year special items in the first half. March 31 to a record Y14.65 (\$66.8m), up 41 per cent (\$66.8m), from Y10.41bn in previous year.

Sales reached a Y550.13bn (\$2.5bn), up 13 r cent from the Y485.59bn 1

Y430.12bn, for a gain of 8 p cent from Y399.96bn and be sales increased 21 per cent Y81.72bn, from Y67.56bn Sal of foodstuffs jumped 103 p

cent to Y36.77bn from Y18.07b " Market conditions for liqu sales were very bad last ye due to tax increases which we a into effect in May 1978,"

Suntory official said. • Konishiroku Photo Indust Company, Japan's second large producer of photo film at photographic equipment, he announced a 2.2 per cent rain net profit for the year? April 30, to Y5.9bn (\$26.8m from Y5.78bn in the previous

Sales totalled Y143.21b. (\$651m), for an 8.2 per cen increase from the Y132.454b

the previous year.

Domestic sales, accounting for 60.5 per cent of the company's business, totaller Y86.70bn, up 14.5 per cent or the year, but overseas sales. representing 39.5 per cent of business, went down by 0.3 per cent to Y56.56bn.

Company officials predicted that the net profit in the current fiscal year would so up by some 5 per cent to Y6.2bn. on sales increased by 7.5 per cent to Y154bn.

#### Earnings ahead at KLK after drought last year BY WONG SULONG IN KUALA LUMPUR

KUALA LUMPUR KEPONG, the lower yields, but its pain oil fourth biggest Malaysian planta-tion group; raised its half-year profits by 57 per cent to 27.2m ringgit (U.S.\$ 12.2m).

expected to prevail in the second half. similar conditions

The group made 68.9m ringgits on the sale of palm oil and rubber, or 24 per cent more

kilos, as a result principally to cent.

production rose by 39 per cent to 141,900 tonnes of fresh fruit bunches,

KLK obtained an average of 256.26 cents per kg for its rubber during the period, and an average of 1,364 ringgit per the improved results for the six months to March, and that similar With the profits, the group's

liquidity liquidity has improved markedly, as reflected by the reduction in interest on debests. tures and loans, which fell from 1.36m ringgit to 759,000 ringgit An interim dividend will he

than the comparable half last year.

The group's own rubber output fell by 3.5 per cent to 8.24m

An interim dividend with declared later.

Last year KLK paid interim dividend of 7.5 per cent and a final dividend of 12.5 per cent.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornbill, London EC3V 3PB. Tel.: 01-623 6314.
Index Guide as at June 14, 1979
Capital Fixed Interest Portfolio
105.00 income Fixed Interest Portfolio .....

Balance Sneet:

turnover of the preceding year by 793 million Austrian Schillings, i.e. roughly 8%, to 11,300 million AS. On the export markets it proved possible in the face of stiffest international competition to achieve what, in part, were substantial market share gains and thus compensate for the declining domestic demand. The export volume expanded by 49% to close on 7400 million AS so that relative to the sale of the firm's own products - the export share of this firm rose to 71%. No less than 4% of the total Austrian export of goods were, in 1978, accounted for by Steyr-Daimler-Puch AG.

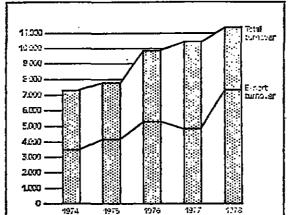
The fact that the group sales revenue rose by 20% from 92 million AS in the preceding year to 111 million AS in 1978 enabled the distribution of a dividend payment of 9% on the share capital of 1200 million AS, which had been increased compared with the preceding year. While the 1978 balance sheet total rose by approximately 16% from 9,600 to 11,100 million AS, it has nevertheless been possible to maintain the structurally sound ratio between the balance sheet items.

Productivity, expressed in turnover per employee, once again rose in the 1978 business year, viz. from 628,000 to 676,000 AS so that, in the period from 1974 to 1978, this index figure rose by more than 70%.

In 1978 the investment activity of our group of companies was once again clearly intensified. The accruals to the physical fixed assets reached a value of 748 million AS compared with 490 million AS in the preceding year. All told this was the highest accrual to the physical assets of any one year since the establishment of this enteroxise.

Thanks to the special efforts made by Steyr-Daimler-Puch Including the financial assets, which in part reflect the completion of large-scale projects which exceed the scope priysical tixed assets of our subsidiary and associated companies, such as Geländefahrzeug GmbH, Graz, Steyr-Daimler-Puch AG in 1973 invested a total of roughly 1,100 million AS.

· . TOTAL TURNOVER IN MILLION AS



This renewed vigorous expansion of the investment volume reflects a policy which has been consistently pursued in recent years, namely to bring about the structural realignment of the existing product groups and

PICOUCES and rechnologies customary mither to

Owing to the slight upswing of economic activity which can, on the whole, be noticed in Austria, especially as a result of the expected normalization of demand in the consumer goods sphere and in respect of capital goods. the prospects for the development of business on the domestic market can be regarded as promising. Just as in the past year, significant stimuli to growth are expected to emanate from our exports.

By the end of the year 1978, the stock of orders on hand reached about 4100 million AS and thus surpassed the corresponding figure of the preceding year by 5%. The course of business in the first four months of the current year is described as satisfactory by the managers of this company. Compared with the corresponding period of the preceding year, the turnover volume once again expan-

ded in 1978. So as to be able to attain its long-term growth objectives, Steyr-Daimler-Puch AG in 1979 is going to continue along its successful course of international cooperation. Increased transmission of know-how and licensing contracts in conjunction with the erection of assembling- and production facilities for the products manufactured by this enterprise are going to play their part in consolidating market positions that have been won and in opening up new markets. A capital investment volume of roughly 800 million AS is envisaged for the year 1979. The continuation of the investment policy adopted in conjunction with a consistently market-oriented overall management policy are going to be instrumental in attaining also the targets set for the year 1979.

Excerpt from the Profit and Loss Account

for the 1973 Business Year in million Austrian Schillings

1977

3,510.9

429.8

215.0 2424

1422

4,633.8

4,281.1

193.7

4,633.8

14

1121

4,845.1

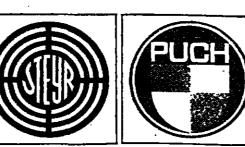
13

218.6

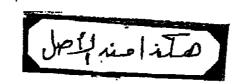
fany one year since the establishment of this enterprise.	branches and, in particular, to aim for the initiation or
Excerpt from the Balance Sheet	I

as of 31 December 1375 (111) MILLOT AU	2011/2011 2011/	iliidə		
Assets	1978	1977	Liabilities 1978	1977
Fixed assets     Physical assets	1,363.4	1,150.4	Share capital	1,000.0
Financial assets	847.2 2.210.6	489.3 1,639.7	tary reserves1,549.7	1,438.9
IL Current assets	Z,210.0	1,039.7	2,749.7	2,438.9
Inventories Securities Advance payments as well as goods and intra-group	4,225.1 542.1	4,116.2 118.8	III. Provision for staff service termination payments 562.9 IV. Adjustments on valuation as per Section 123 of the	593.2
receivables	3,032.8	2,479.4	income Tax Act 1972 454,3	300.0
Liquid assets , Other receivables	984.7 112.5	1,115.8 115.3	V. Special-purpose reserves 2,370.2 VI. Liabilities	2,006.8 4,196.4
III. Accounting apportionments	8,397.2 39.2	7,945.5 · 43.5	VII. Net profit (incl. carry-forward). 112.1	4,196.4
	11,147.0	9,628.7	11.147.0	96287

Expenditure Depreciations ...... 539.6 Allocation to special-purpose reserves Net profit (incl. carry-forward) . . . . . . Profit brought forward..... Gross earnings (after accounting settlement between parent and Profit from investments in affiliates... Interest received ..... Exceptional profits.....



yr-Daimler-Puch AG



#### CURRENCIES, MONEY and GOLD

# Sha Pound steady; dollar mixed

terling showed little real dollar's trade weighted index was rement in yesterday's foreign unchanged at 86.4. hange market and finished ily changed against most tencies. The release today day's trade figures persuaded ly people to stay on the side s, with market predictions ling to range between bad very bad. However, on a e weighted basis, the pound aged a slight improvement. \$3 from 682, having stood 682 at noon and in the

dollar showing a weaker of sterling improved to touch est level of \$2.1105-2.1115 re finishing at \$2.1057-2.1067, three points down from

ie dollar was initially weaker umours that Swiss interest were likely to return to ive quotations in the short. This led to some switching Swiss francs, but later in lay as the effects subsided, U.S. unit recovered after vention in the market by Swiss authorities. By the lof the day the dollar was dabove its worst levels but from L1787.30. The D-mark rose to L448.58 from L447.99 with the Danish Krone firmer at L156.02 from L155.25.

TOKYO — The dollar showed a slight loss against the Japanese yen yesterday and closed at

FRANKFURT - The dollar showed no clear trend yesterday and was fixed at DM 18891 against DM 18969 previously. The Belgian franc and Danish krone were both fixed above their floor levels against the D-mark at DM 6.227 per BFr 100 and DM 34.79 per DKr 100. BRUSSELS - In very quiet

trading the Belgian franc showed a slight overall improvement both against other EMS currencies and the dollar. According to sainst the dollar it opened market sources, the Belgian 2.1050-2.1060 and cased to a authorities were believed to have sold around DM 300m in an effort to support its currency. The D-mark was fixed below its highest permitted level of BFr 16.0740 at BFr 16.0562 and compared with Friday's level of BFr 16.0578.

Friday at DM 1.8900, but yen yesterday and closed at yed against the Swiss Y219.25 compared with Y220.30 for SwFr 1.7095 from on Friday. After opening at 1.69873. It was also firmer the Japanese yen at 80 from Y219.124, but eased high of only Y219.35. Trading rms of the Italian lies to was generally light with modest rms of the Italian lira to was generally light with modest from L848; previously. On dollar demand pushing up the of England figures, the rate from its opening level.

		Сиптепсу	% change		
	ECU	Amounts	from	% фапра	
_	central retes	agalost ECU June 18	centrei rate	adjusted for divergence	Divergence limit %
Franc .		40.5193	+2.69		±1.53
Krone .		7.24845	+2.29	+1.38	±1.635
1 'D-Mar	k 2.51084	2.52163	+0.44	-0.48	±1.1325
Franc	5,79831	5.83821	+0.59	<b>-0.23</b> :	±1.35
Guilder	. 2.72077	2.76929	+1.78	÷0.87	±1.5075
unt	0.000000	. 0.657631	+0.75	. <b>–0.16</b>	±1.665
Lira	1148.15	1129.65	-1,61	- 1.61	±4.0725

# THE POUND SPOT AND FORWARD

<u>Juma 18</u>	spread	Close	One month	7. p.s.	months	p,a.
U.S.	2.1030-2.1115	2.1867-2.1067	0,65-0,5%c pm	3,42	1,83-1.73c	pm 3.38
Canada	2.4645-2.4715	2,4670-2,4680	0,70-0,60c pm		1,75-1.65c	
Norhing.	4.34 - 4.39 .	4.36 - 4.37 2	21-11 <sub>2</sub> 0 pm		5-5c pm	5.03
Beigrum	63.60-64.10	63.83-63.93	30-20c pm		88-58c am	3,94
Denmark	11.40-11.49	11.474-11.484	21-1, ore pm		41-21- pm	1,22
Izeland	1.0495-1.0580	1.0563-1.0573	09-19c dis		45-55 dis	-1.89
W. Ger.	3.96-4.00	3.971,-3.981	31, 21, pr pm		81-71- pm	8.04
Portugal	104,00-105,00	104.30-104.60	30-90c dis		125-225 dia	s −6.71
Spain	138.50-139.25	138.95-139.20	30c pm-20c dis		85-15 pm	0.12
italy	1778-1790	1783 - 1785	42-2 lire pm		74-64 pm	1.40
Norway	10.85-10.92	10.88 - 10.89 -			15-13 pm	5.14 1
France	3.17-9.25	9.22-0.23	34-24c pm		82-72 pm	3.47
Sweden	9.14-9.19	9.15-9.17-2	3 <sup>2</sup> -1 <sup>2</sup> ore pm		84-84 pm	
Japan	460-464	4821, 4831,	3.85-3.60y pm		9.70-9.30y	
Austria	29.25-29.40	29.28-29.33	23-13gro pm		53-43 pm	6.55
Switz.	3.57-3.62				113-103 pr	
OHILL.	3.3/-3.02	3.59 <sup>1</sup> -3.60 <sup>1</sup> 2	41_31_c pm	[3,33	I LALINA PI	1 1440
Bı	elguan raze is (	or convertible	francs. Financial	franc	65 <i>.2</i> 5-66.35.	. [

Six-month torward dollar 3.00-2.95c pm: 12-month 5.25-5.15c pm

THE DOLLAR SPOT AND FORWARD

June 18	Day's spread	Close	One month	% p.a.	Three months	
UKf Irelandt	2.1030-2.1115 1.9950-2.0005	2.1057-2.1067 1.9960-2.0000	0,65-0.55c pm 0,80-0,80c pm		1.83-1.73 c 2.70-2.35	
Canadat Nethind	85.31-85.36 2.0724-2.0785	85,23-85,36 2,0746-2,0785	0.01c dis-0.01c 0.55-0.45c pm		0.14-0.11 p 0.98-0.88 p	
Belgium Denmark	30.301-30.34 5.4200-5.4500	30,321,-30,34 5,4475-5,4500	8-5c pm 0.80-1.30cre dis		7-5 pm 2.80-3.30dii	0.79 = -2.24
W. Ger. Portugal	1,8878-1,8905 49,50-49,70	1.8895-1.8905 49.60-49.70	0.94-0.84pt pm 35-45c dis	-9.68	2,34-2.24 p 90-130 die	<b>—8.86</b>
Spain Italy	66.02-66.05 847.10-847.80	66.02-85.05 847.10-847.50	10-20c dis 0.30-0.80lire dis		30-40 dis 3.20-3,70di:	-2.12 -1.63
Morway France	5.1675-5.1730 4.3710-4.3800	5.1720-5.1730 4.3776-4.3800	0,60-0,20ore pm 0,45-0,35c pm	1,10	2.65-2.15 p 0.25-0.05 p	m 1.37
Yabau Yabau	4.3500-4.3535 219.50-219.50	4.3525-4.3535 219.70-218.90	0.15cds-0.05cpm 1.20-1.10y pm	6.28	0.50-0.30 p 2.80-2.70 p	m 5.00
Austria Switz.	13.912-13.937 1.7060-1.7990	13.932-13.937 1.7980-1.7090	5,00-4,50gro pm 1,50-1.40c pm		12,50-11,00 3,90-3,80 p	
† UK, Ire	land and Can	ada are quota	d in U.S. curre	ncy. F	orward pre-	miums

**CURRENCY RATES CURRENCY MOVEMENTS** 

June 18	Bank of England Index	Morgan Guaranty changes *	June 15	Bank rate		European Currency Unit
terling	86.4 81.0 145.3 112.9 116.1 150.2 194.7 123.0 98.4 54.6 131.7 ighted channels Deca	mber, 1971	Sterling	114 354 9 8 4 7 912 1012 414 7 8 612	1.27548 1.49422 Unavail. 38.6662 6.91948 2.40971 2.54471 2.54871 1080,01 279.585 6.59041 84.1944 5.55025	0.633008 1.33293 1.56252 18.5676 40.5193 7.24895 2.52163 2.76929 5.83821 1129.65 293.404 6.89056 88.0397 5.80449 2 28210

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lum a		ı		£

June 18		; <b>s</b>	l ;	Note Rates
Argentina Peso	2702-2722		Austria	29.30
Australia Dollar			Belgium	6534-6634
Brazil Cruzeiro	58.20.54.20		Denmark	11.47-11.57
Finland Markka			France	9.17.9.27
Greek Drachma.	77.284-79.150		Germany	3.95-4.05
Hong Kong Dollar			ttaly	1,760-1,800
Iran Rial	141-155		<b>⊌арап</b>	457-467
Kuwait Dinar (KD.	0.580-0.590		Netherlands	4.32-4.42
Luxembourg Frc.	63.83-63.93		Norway	10.85-10.96
			Portugal	100-105
New Zealand Dir.			Spain	1361g-1391g
Saudi Arab. Riyal			Switzerland	3,55-3,65
Singapore Dollar.			United States	2.10-2.11
Sth. African Rand	1.77-1.78	0.8405-0.8450	Yugoslavia	4112-4312
		on A control in	Zana anta	

#### HANGE CROSS RATES

10 31

June 18	PoundSterling	U.S. Dollar	Déutéchem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Detch Guild'r	Italian Lirz	Canada Dollar	Belgian Franc
Sterling illar	0.475	2.106	5,981 1,890	465.0 219.8	9.225 4.380	3.600 1.709	4.370 2.075	1784. 847.1	2.468 1.172	65.88 30.33
hemark 56 Yen 1,000	0.251 2.160	0.529 4,549	a.599	115.3 1000.	2.317 19.92	0.904 7.775	1.098 9.438	448.2 3854.	0.620 6.329	16.05 188.0
Franc 10	1.084 0.278	2.283 0.585	4.516 1.106	601.9 128.6	10. 2.563	5.902 1.	4.787 1.214	1984. 495.6	2.675 0.685	69.85 17.74
Sulider Lira 1,000	0.229 0.560	0.482	0.911 2.281	195.9 259.5	2.111 5 170	0.824 2.018	1. 2.449	408.3 1000.	0.565 1.385	14.62 35.80
in Dollar	0.405	0.854 3.297	1.613 6.252	187.6 724.8	5.739 14.44	1.459 5.636	1.771 6.841	723.1 2793	1. 3,863	25.89 100.

**D-CURRENCY INTEREST RATES** 

10.25-10.3	per cent; c	ine year 9.95-10	J.05 per cent.	ځ						·
ne 18	Stering	U.S. Dollar	Canadian Dollar	Dugoh Guilder		West German - Mark	French Franc	Italian Lira	Asian \$	Japanese Ye
erm. s' notice. nonths.	15½-15¾ 15¾-14 14 14¼ 15¾-14 15%-15½ 12½-15	104-101s 103s 106s 114-113- 101s-103s 101s-103s	912-1012 912-1013 1034-1113 1054-1118 104-1118		3g-12 3g-5g 13g-11g 11g-13g 2-21g 21g-25g	5-76-5-75 5-76-5-75 5-59-5-54 5-76-5-76 6-36-6-12 6-34-6-78	773-838 776-858 954-1014 1019-1059 1012-1078 1058-11	9-10 1012-1112 1112-1212 12-13 1212-1312 13-14	10 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -	-258-212 514-475 448-518 575-578 574-514 618-514

following nominal rates were quoted for London dollar certificates of deposit: one month 10.35-10.45 per cent; three months 10.30-10.40 per cent; six 10.30-10.40 per cent; one years 9.35-10.05 per cent.

g-term Eurodollar: two years 971-971, per cent; three years 92-97, per cent; four years 911-971, per cent; five years 91-92, per cent nominal closing Short-term rates are call for attailing, U.S. dollars and Canadian dollars; two-day, call for guiders and Swras francs. Asian rates are closing rates in

#### **ERNATIONAL MONEY MARKET**

# ank of France to buy paper

Bank of France is to offer first category paper by with value date for purjust pure 21. The last tender, lite May 16, produced a first per cent, but the se rate is expected to rise to around 81 per cent, rent discount rate for one-Treasury bills. The result tender will be known ow.

purchases since May 16 however, with interest rates stabilizing for some periods, but still showing an upward trend overall. The paper subject to tender will be divided into three maturity periods, June 25 to 29, July 1 to 5, and July 6 to 15. In the Paris money market call money fell to 7½ per cent from 8 to 8½ 8½ per cent; and one-month to 8½ 8½ per cent.

Treasury bills. The result tender will be known ow.

cst rates rose sharply last helped by an increase in cs at which the authorities it bills. This follows uppressure on European trates in general, and about the effect on the franc and inflation.

Bank of France buys to ease shortages of y in the money market, from tenders which are ly held once a month have not been any such

12-month to 7.00-7.10 per cent from 7.30-7.50 per cent. AMSTERDAM — Call money was unchanged at 72-82 per cent, and one-month at 81-81

cent, and one-month at \$\frac{1}{2}\$; per cent. Three-month rose to \$\frac{1}{2}\$? per cent from \$\frac{1}{2}\$. For cent, and six-month to \$\frac{1}{2}\$. per cent from \$\frac{1}{2}\$. Por cent.

BRUSSELS—Call money was unchanged at 7.8\frac{1}{2}\$ per cent; one-month at \$\frac{1}{2}\$. Per cent; and three-month at \$\frac{1}{2}\$. Per cent.

Six-month from \$\frac{1}{2}\$. Per cent and three-month at \$\frac{1}{2}\$. Per cent. Six-month funds were quoted at 91-91 per cent, compared with 91-91 per cent, and 12-month rose to 91-91 per cent from 91-91 per cent.

SINGAPORE—The Bank of New South Wales has raised its prime rate by 1 per cent to 81 HONG KONG—The money market was easy, with call at 11 per cent, and overnight money at 91 per cent.

MONEY MARKET

# dequate credit supply

of England Minimum ing Rate 14 por ce since June 12, 1979)
oday credit

of Government disbursements cent, and eased to 13-131 per cent of England Minimum
ing Rate 14 por cent
ing Rate 12 Friday were on target. In the interbank market overhere was a small excess night loans opened at 133-14 per nominal in some cases.

ION MONEY RATES

18	Sterling Certificate of deposit	interbank		Local Auth negotiable bonds	Pinance House Deposits	Company Deposits	market deposit	Treasury Bills &	Eilgibie Bank Bijls &	Fine Trade Bills &
12		·- · 8·15	· \		_	14	1254-1354	[		
ictice.			1375-14	:		I		1 – 1	· -	_
17.			-	. – :	`	-77	. <del></del>	! -		
-Nos		157:14%	1378-14	l::	<b>]</b> 412	1414	1314	l . <del>-</del> :		_
199	14 15 16	14-1419	134-14 a	143-143	144	1416	156g	1514	15/2	14
nths	14 1570	15 2 14	- 1	145s 144	1438	1439	1360	15%	13/	14
THIS	15;1-13;6	157g-141g	134-134	1414-14	1414	l – :	1359	15 - 1350	135g	14
ONFILE	153-154	134-134	13-13 4	134-124	. 156g		-	f	125	131/2
nths		127g-154g		134-187	13 te	-	i <del>-</del>	<u>-</u>	1	-
416439-1-	125-1262	124.15	12i <sub>2-</sub> 1254	13-185	151€	1 - 1	· ·	} <b>-</b> {	_	
13			12- <sub>2</sub> -16	l. "— <u>: ;</u> l		<u> </u>		- !		<u>.                                    </u>

authority and finance houses seven days' notice others seven days' fixed. \*Long-term local authority mortgage minelly three years 122-133 per cent; four years 122-133 per cent; five years 123-133 per cent. \*Bank bill store are huyeng rates for prime paper. Buying rate for four-months benk bills 134 per cent; iour-months trade per cent. Selling rate for one-month Treasury bills 134 per cent; two-months 134 per cent; and three-cent. Approximate selling rate for one-month bank bills 134 per cent; two-month 135 per cent; and three-month 136 per cent; and three-month 136 per cent; and three-month 136 per cent; two-month 137 per cent; and three-month 138 per cent; two-month 139 per cent; and three-month 139 per cent; two-month 130 per cent; from June 1, 1979. Bank Deposit Rates for small sums at saven days' notice 113-12 per cent. Clearing Bank Rates for landing cent, Treasury Bills: Average tender rates of discount 13,3909 per cent.

#### GOLD

## Weaker trend

Gold lost \$2 an ounce in the London bullion market yesterday and closed at \$2773-2783. The metal opened at \$2794-2803 and was fixed during the morning at \$279.90 before easing at the afternoon fixing to \$278.00. The Krugerrand's premium over its gold content was quoted at 3.19 per cent, as domestic and inter

June 18 June 15 

Gold Coins, Internationally
Krugerrand. (\$286.888 (£1564.1374)
New (£1564.1364) (£1564.1374)
New (£1564.435) (£1564.1374)
Soversigns(£54.435) (£344.2514)
Old (£119.9312 (£9112.9312
Soversigns(£4312.4412) (£4312.4412)
\$20 Eagles...(£398.403 (£400.405)
\$10 Eagles...(£288.235 (£158.165) national coins were quoted at a

In Paris the 12t kilo bar was fixed at FFr 41,250 per kilo (\$293.22 per ounce) in the afternoon, compared with FFr 41.450 (\$294.85) in the morning and FFr 41,600 (\$294.50) on Friday afternoon. In Frankfurt the 12½ kilo bar was fixed at DM 17,010 per kilo (\$279.92) against DM 17,100 (\$280.13) previously.

MONEY RATES NEW YORK

Prime Rate 11.5-11.75
Fed Funds 10.3125
Treasury Bills (13-week) 8.97
Treasury Bills (26-week) 9.02 GERMANY Discount Rate Overnight Rate One month ... Three months Six months ... FRANCE

#### WORLD VALUE OF THE POUND

available rates of echange for the einet various currencies on June 18, 1979. In some cases rates
are nominal. Merket rates are the
average of buying and selling rates
except where they are shown to be
taken as being applicable to any par-

Tituler transaction without religions to an authorised dealer.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (b) based on U.S. dollar parties (c) rate; (c) convertible rate; (d) rate; (c) convertible rate; (d) rate; (d) convertible rate; (d) rate; (d) convertible rate; (d) rate; (d) commercial rate; (nom) nom Scheduled Territories; (T) towist rate; official rate; of selling rate.

(Bk) bankern rete: (cm) commercial rate: (cn) convertible rate: (ln) financial rate; (exC) exchange contincate tate; (k) Scheduled Torriery; (nr) nem-

PLACE AND	LOCAL UNIT	VALUE OF ESTERLING	PLACE AND	LOCAL UNIT	£ STERLING	PLACE AND LOCAL UNIT	VALUE O
ghanistan	Afghani	88.00	Greenland	ABINGILG RIAL	11,4775	Peoples D. Repub.	·-
Ubania	Lek	10.0962	Grenada (S)	E. Caribbean S	5.692	of Yemen (5: S. Yemen Dingr	A:0.719
igeri2	Dinar	8.0644	Guadaloupe	Local Franc	9.225	Peru So)	axc.A.461.
ndorta	French Franc Spanish Peseta	9,225 159,075	Guam	. U.S. S	2.1062	Philippines Philippine Peso	15.542
			Guatemala	e:h	2.1062	Pitcairn islands (5) 12 Sterling   New Yealand S	
ntiqua (5)	E. Caribboan 5 Ar. Peso Free Rate	5.692	Guinea Bissau	. wity	40.931 72.957	New Tenang 2	2.008
rgentina	Ar. Peso Eras Date	2,712	Guyana (\$)	Guvanese S	5.3708	Poland Zloty	(Cm 63.38
		1.8980	1 .	• -	. 2:2100	Portugal Portuguire Feoreta	104.45
ores	Schilling	29.305	Harti Honduras Repub	Gourd	10.531	Portugal, Portugu'se Escudo Port Timor Timor Escudo Principe Islands. Portugu'se Escudo	104,45
		104,45	Honduras Repub	Lempira	4,22	Principe Islands Portugu'se Escudo	191,45
ahamas (8) angladesh (5)	Ro Dolles	2.1062	Hong Kong (S)	-	10.8175	Puerto Rico U.S. S	2,1062
ngiadesh(S)	Taka	32.80 (sq)	Hungary	. Forint	Tine; 42.06	Qatar (S)	. 7,95
		0.808	1		-	Reunion lie de la French Franc	9.225
		139.075	iceland (\$1	f. Krona	721.0	Rhodesia Rhodesian &	1 4606
arbados (S)	Babados \$11	4,2124	India (S)		17.023	5	Cm 9.07
	B. Franc	(icm) 65.88	Iran	Rupiali Rial	. 1.316 154.B	Roma <b>nia</b> Lou	- (€ C-T24.3
elize		(fn) 56.30	Iraq	trag Dinar	0.622B		190,205
hnin	^ E A F	4.2124 4614	Iraq Irlsh Republic (k)	Irish £	1.0568	St. Christopher (S: E, Caribbean 5	5 692
rmuda (5)	er.a. Franç Bas k	2.1062	Israe	israel =	52,385	St. Helena St. Holena £	, 1.0
utan	Indian Runes	17,023 (eg)	Italy	Lira	1.784.25	St. Lucia E. Caribbean S St. Pierre G.F.A Franc	5.69.3
IIIVIE	RAIlisian Dana	42.124	Ivory Coast	C.F.A. Franc,	46114	St. Merre G.F.A Franc	4611
(S)	Pula	1,7442	Jamaica (\$)	Jamaica Dollar	3,7564	St. Vincent Si E. Caribbean S Salvador El Colon	5.692 5.255
azii	Cruzeim **	53,70	l Japan	Yen	463.0	I Samoa American U.S.S.	7 1067
rit. Virgin Isles(S)	U,S, 8	2.1062	'Jordan (S),	Jordan Dinar	0.640(sg)	San Marino . Italian Lira Sao Tome Portugese Escudo	1.784.2
runei (5) Ligaria	1 ov	4.630 1.7930	Kampuchea	R)el	2527.4	Sao Tome Portugese Escudo	104.45
urma	Kvat	14.1686	Kenya (S) Korea (Nth)	Kenya Shilling	16.945		4.13
urundi	Burundi Franc	186.095	Korea (Nth:	Won	1,94(*)	Senegal C.F.A, Franc Seychelies. S. Rupee	461
			Korea (Sth) Kuwait (Sth)	Won	1021.5	Seychelies. S. Rupes Sierre Leongis Leone	13 33 2.226
metoon Repub's	C.F.A. Franc	46114	Kuwait (Stn	KUWEIT DINE	0.585	Singapore (S Singapore S	4.63
nacia	Canadian S	2.4675	Laos,	Kin Pot Po	' B42.5	Solomon Islands Si Solomon Is. 5	1 0016
nary islands pe Verde isle	Spanish Peseta	139.075 76,8974	Lebanon	Lebanese £	6.929	Somali Republic. Somali Shilling	A)15,250
.9. shaqisi nemu	Course	1.7552	Losotho	S. African Rand	1.775	South Africa (54 Rand	1.775
		4611.	Liberia	Liberian S	2.1062	South Wort African	
had	C.F.A. Franç	461	∐bya	Libyan Dinar	0.6235	Territories S., S. A. Rand Spain Peseta	1.775 139,075
had	C. Peso	' (Bk) 77.00	Liechtenstein	SWISS FRANC	3.60	1	(95,015
	Ranminbi Yuan	3,3022	Luxembourg		63,88	Spanish ports in	
olombia omoro Islanda.,	C. Peso	F: 89.31	Macao	Pataca Portugise Escudo MG Franc	11.1839	North Africa. Peseta	159,075
ongo (Braz aville)	C.F.A. Franc	46114	Madeira	Portug'se Escudo	104.46	Sri Lanka (Sr. S. L. Rupee Sudan Republic . Sudan !	32,55 A 0.8425
sta Rica	Colon	18.113	Malagasy Republic	MG Franc	45114	Surinam S. Guider	
adı	Cuban Peso	1.4876	Malawi (S)	Kwacha	1.7380	i Swaziiano (S' Lijangani	1.775
/prus (S)	Cyprie 4:	0.7580	Malaysia (S) Maldive Islands (S)	Maj Punee	4.62 <b>75</b>	Sweden S. Krona	9,17
		(com) 11.15	Mali Penublic	Mali Renc	8.28 922.5	Sweden S. Krona Switzerland Swiss Franc	3.60
echoslovakia			Mali Republic Malta (S)	Maltese £	0.7680	Syria Syria £	A-8,267
		(T)18.73	Martin que Mauntania	Local Franc	9.225	Taiwan . New Taiwan	P:75.824
mmark	Danish Krone	11,4775	Mauritania	Ougulya ‡	95.073	Taiwan New Taiwan Tanzania (S) Tan. Shifting	17.15
ibourti	Fr.	350,0	Mauritus (S)	M. Rupes_	12.7903	i Thailand Baht	42,50
minica (Sı	E. Caribbean	5.692	Mexico	Mexican Peso	47.94	Togo Republic C.F.A. Franc	461
пппсан керир,	Dominican Peso	2,1063	Miquelon	C.F.A. Franc	4611:	Tonga Islands (S) Pa'anga	1 9017
undor		·{O: 52,23	Monaco Mongolía	rienca rranc Tuarik	9.225 (0.6.930 <i>(</i> )	Trinidad (S) Trinidad & Tob' 5	
		(F) 5,954	Monserrat	E. Caribbean S	5,692	Tunisia . Tunisian Dinar Turkey. Turkish Lira	0.842 a 97.1201
/pt vatoria i Guinea, i	Egyptian Σ	(U) 1,4025	Morecco	Dirham	8,18, <sub>89</sub> )	Turks & Caicos U.S. >	2.1062
ilopia	PESETA	139,075	Mozambique	Moz. Escudo	65.096	Tuvalu Australian 9	0898,1
юрю	Enitopian birr	(P) 4.3648	l			Uganda (S) Uganda Shijling	
kland Islands (S	Falkland is £	1.0	Nauru	Australian Dollar		United States U.S. Dollar	ი.ი. 2.1063
o islands	Danish Krone	11,4775	Nepal	Nepalasa Rupas	25.274	r .	1 cm 16.
i <b>isla</b> nds i	FIJI Ş	1.7725	Netherlands	GUIDEF	4.37	Uruguay Uruguay Peso	r fn 16,4
<b>land</b>	Markka .	B.36	NetherlandAntilles	ANGUNAN GUNGER	3,7701	Utd. Arab Emirates U.A.E. Dirham	8,QB
nce 1	French Franc	9.225	New Hebrides	· Aust. Dollar	149.09 1.8980	U.S.S.R Rouble Upper Volta C.F.A. Franc	1.3755
nchC'tyin A f* (	AF.A. Franc	4611;	New Zealand (S)	N. Z. Doller	2.008		4611.
nch Guiana I	ocal Franc	9,225	Nicaragua	Cordoba	18.90	Vatican Italian Lire	1784,29
nch Pacific Is		167.75	NIGET KOPUDIIÇ	G. F. A. Franc ,	46114	Venezuela Bolivar	9.02
on	C.F.A. Franc	46114	Nigeria (Stammer)	Naira .	1.2703(sg)	Vietnam Dong	0.4.59
mbia (S) (	Dalasi	4,0	Norway	Norway Krona :	10.8925	Virgin Islands U.S. U.S. Dollar	T:4.070
rmany (East) (	Ostmark	3,98125	Oman Sul'ate of (5)	Riel Omeni .	0.728		2.1062
many (West)	veutsone Mark	3.98125				Western Samoa (S) Samoan Tala	1.528
ana (5) ( )raitar (10 (	Jeul Sibenthau C	5,67 (sg)	Pakistan		20.805	Yemen Ryal	9.53·sg
bert Islands	uetrelian S	1.0 1.8980	Panama	Partoca Vine	2.1062	Yulgoslavia New Y Dinar	39.98 <del>4</del> 0
Becs	rachma	78.217	Papua N. Guinca(S)	nına , Guarani	1.5175 262.08	Zaire Republic Zaire Zambia Kwacha	3.30309 1. <del>68</del> 75
							1 00007/5

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Americano

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The Mitsui Trust and Banking Company, Limited

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Menaged by

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Asshi Mutual Life Insurance The Dai-Ichi Mutual Life

Asahi Mutual Life Insurance Company The Bank of Tokyo, Ltd. The Chivoda Mutual Life Insurance Company The Chuo Trust and Banking Company Limited The Dai-Ichi Mutual Life Insurance Company The Daiwa Bank, Limited

The Long-Torm Credit Bank of Japan. Limited Mitsui Mutual Life Insurence Company The Mitsui Trust and Banking Company, Limited The Nippon Credit Bank, Ltd. Nippon Life Insurance Company The Nippon Trust and Banking Co., Ltd. The Taiyo Mutual Life Insurance Company The Toyo Trust and Banking Company Limited

The Long-Term Credit Bank of Japan, Limited

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The Long-Term Credit Bank Banco Hispano Libra Bank Limited

Midland Bank Limited The Mitsubishi Bank, Limited Banco de la Provincia de Buenos Aires The Bank of Yokohams. Los Angeles Agency

Canadian Imperial Bank of Commerce RoyWest Banking Corporation Limited The Saitama Bank, Ltd.

Banco Hispano Americano Banco de la Provincia de Buenos Aires

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June 1979

#### THE JOBS COLUMN

BY MICHAEL DIXON

miserably failed

under review. By comparison, what might I usefully say? Then it occurred to me that

the attitude the conference had

been taking towards its topics resembled that of a U.S. Army

general depicted in a New Yorker cartoon during the Viet-

nam War. Facing a critical-looking lady at a cocktail party, the general was obviously re-plying to some deprecating re-mark she had made. "Anti-

Chief Accountant

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several group companies and ultimately for the division. He/she will have

the freedom to reorganise as necessary the accounting and reporting functions to produce more timely information. It is intended to install a

Candidates, preferably aged late 20s/early 30s, will be qualified accountants with several years commercial experience, ideally - but not

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possible, some experience in a multinational environment,

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for an extremely challenging career appointment.

forecasting and the initiation/review of systems.

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"MY WIFE now has a dress-allowance from my company, for example," one of the audience rommy company with considered non-temperature with considered non-temperature with considered non-temperature with considered non-temperature with considered non-temperature."

\*Remuneration\* + 'termination\* = humiliation\* commented with considered non-

chalance. His possession of this perk (a hem-benefit?) certainly im-pressed most of the other personnel managers at the seminar in London, as they waited for the comment from the floor to be answered by one of the experts on the platform.

But to a few there, dressallowances for spouses were plainly old hat in these perkproliferating days. The few no doubt work for organisations with really sophisticated "remuneration packages," perhaps including subsidised postage stamps to ease the finanwith sons and daughters away at school on company scholar-

Services. "It's better to put the wives on the company payroll, and then lend them the dresses." Sitting beside him as he spoke. I shuddered.

About 70 of us had spent the day reviewing, under the sponsorship of European Study Conferences, the latest trends in systematically recruiting, systematically recruiting, systematically rewarding and systematically rewarding and systematically rewarding and systematically recruiting systematically recruiting.

matically getting rid of mana-

gerial employees. Of these three procedures, the audience generally seemed most interested in the last, which it is evidently no longer fashionable to speak of even as "dismissing" — at least, not when referring to senior staff. Anyone loutish enough to call the sack the sack would, of course, be utterly ostracised.

No sadism was betokened by the special interest in this prostrain of communicating cess. The audience was con-is sons and daughters away cerned about it as a particularly is chool on company scholar-difficult task which, although distasteful, cannot be avoided altogether. The reason, the conat school of ships.
"Giving wives dress-allowances does not get the best value for the company." came the reply from the appropriate expert: Tony Vernon-Harcourt of Keyser Uliman Remuneration Services "It's better to put the distance of the confidence of the best of their strivings to be professional, personnel managers are "all human" and will inevitably make occasional mistance of the confidence of the

Fallibility, however, is no excuse for indelicacy. Thus one speaks of the sad process as "termination" or "separation" unless, when hob-nobbing exclusively with other personnel managers and wishing to appear

Few appreciate the import-ance of preserving the finer feelings more than does the feelings more than does the conference's expert on terminations. Deryck Sidney, head of the UK THinc Group, now specialises in swiftly spiriting would hardly have become the newly separated away from the second customary for the task of executing a termination to be conference. the newly separated away from their scene of shame to his own offices where, in the remarkably short average time of four months, they learn to return to life as executives elsewhere. But he was once himself insensitively separated by a boss who combined the deed with last-minute preparations for his departure on a fortnight's holi-

one can feel. When he has a say in the matter the ineluctably brutal act of termination is pared to the minimum. As soon as the employer's representative has act of termination is pared to the minimum. As soon as the employer's representative has spoken the dread sentence, the unwanted body is whisked to a THinc consultant waiting in the next room where the terminee is instantly translated into a

day. So Mr. Sidney knows how

The purpose of the change of title, I gather, is to establish that the late experience was not really a disaster, but an oppor-

It is not only those most immediately concerned whose dignity is preserved by such executing a termination to be delegated to an official rather below the highest echelons of the organisation.

No. In fact the terminator must always be mindful of the reputations of superiors. And with these at stake, there is only danger in allowing the terminee to ask unseamly questions. "I mean: what can you as

executive doesn't like you. You can't say that, can you?"

Much of the audience stirred apprehensively. To them, it was doubtless as clear as the pinstripes on their company sutis— mark she had made. "Anti-systematically graded to reflect personnel weapons?" he was position in the hierarchy—that saying. Of course we use one does not get to be a per-sonnel director by putting it only against personnel; never about that one's chief executive against people."

c. £8.500 + car

computer in the near future.

Remember what we had been the corporate image. So we activate the systematic terminahas frailties such as personal likes and dislikes. That could be tantamount to a terminal First, systematic recruiting in which we had been told, among offence in itself. Wiser to leave

is accepted.

the terminees to infer that the other things, that it was essencause must be some incompetence in their work, which they half of a company to behave in accordance with the corporate image. So if one or two of our line managers who take on new subordinates tend in pracperceive.

Perched on the platform. I

Perched on the platform. The stirred uneasily 100. The personnel managers in the tice to behave somewhat differently from the idealised audience knew what they had come for. And surely nobody executive, they must clearly be instructed to keep their eccen-tricities under wraps at least in the world knew better how to supply it than Mr. Sidney and the other speakers, equal experts in the other techniques until the job they are offering

accordance with standing in the company. Such an amount of pay. Such a power of car. Such a degree of assistance with mortgage. Such a quality of household towards fees for children at organisation man, schools of such an exclusiveness. And so on.

When we do so, of course, the terminee is hable to interpret it as entailing the loss of pay, car, house, carpets and curfains. There may even tlash into the unfortunate introd a vision of unfortunate intind a vision of self and spouse standing forform in their underclothes—always provided that those, too, were not on loan from the considerate employer—and of children awakening to insolent states in their school dormitory because their trunks and tuck-

the end of their bed. mortgage. Such a quality of instants of miense nightware household furnishings and for even the most optimistic clothes for self and spouse. Help and, dare I say it, conditioned

because their trunks and tuck-

boxes are standing, packed, at

Surely no human being would deliberately risk having Then something goes wrong to do that to another. But for some people, such a humiliation get on with the real manager will be the unavoidable conswho has emerged from behind quence of their employer's

installing asytems—particular kind I have outlined.

So if it is true that persons managers are all human, if only explanation I can see f their being willing to open. such devices is that they me believe the systems are bei applied only to personnel; r to people.

The managers cannot blamed for initiating t dehumanising trend, of cour The systems grew out of he nesses' wish to free sen staff from the "actions ? staff from the actions interventions of Government depluced by the Chancellor the Exchequer in his Bud speech a week ago.

But the counteracti. adopted by companies do free people. The effect instead to lock them into organisation until it cho them out, so adding to the a quote the Budget speech as —another set of "laws stand in the way of change stiffe enterprise.

It is time for the person profession to follow the renouncing its part in hureaucratic mania which, years after the first "Ti Act" was instituted to premanual workers, is leaingly to "owe their soul to

£6,000

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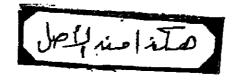


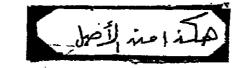
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£4,500 - LV's 4 WEEKS HOLIDAY £180 CLOTHES ALLOWANCE

For international Agricultural Cor-corn working for a Manager view is involved in arranging trips abroad dealing with vitas, passpects etc. Willing to train on teles and audio. Ring Elizibeth Siede 554 E165

#### COLLEGE LEAVER FOR PATENT AGENT

£4,580 + LV's 4 WEEKS' HOLIDAY

Good skills, varied and interesting duties working for a Director, plonty of indicative, good Speekson voice, tremendous scope for right Ring Elizabeth Stade 584 2160

#### **COLLEGE LEAVER**

£4,000 4 WEEKS' HOLIDAY SUBSIDISED 3-COURSE LUNCH LY's

For international company dealing with travel arrangements and overseas telephone and telev work to North America, Scandingera and Portugal, lively inendly office. Ring Elizabeth Slade 584 \$166

#### **COLLEGE LEAVER**

SUBSIDISED RESTAURANT

4 WEEKS' HOLIDAY International Market Division of a

Government argunisation, suport Ring Elizabeth Slade 984 8166

62 BROMPTON ROAD, SW3

(Opposite Harrods) ALFRED MARKS

STAFF BUREAU

#### Companies and Markets

# Easier Wall St. trend on oil price worries

PREMIUM \$2.60 to £1 — 391% (381%) Effective \$2.1062—131% (121%)

WITH INVESTORS worrying over expected further oil price increases. Wall Street tender to ease yesterday in reduced but still active trading, although the Gaming sector and issues involved in take-overs advanced.

The Dow Jones Industrial Average declined 3.90 to 839.40 and the NYSE All Common Index receded 29 cents to \$57.56, while falls outscored gains by \$76 to 554. Trading volume amounted to to 31.13m shares, compared with last Friday's 33.01m.

OPEC oil ministers meet bext week and a jump in oil prices is expected. Saudi oil minister. Sheikh Yamani, warned that the price of oil will soar unless

consumption is reduced.

The Middle East economic survey said the Saudt's are about to increase oil production, but Gulf Oil chairman James E. Lee said the Saudis may cut back.
Analysts stated that investors were also disappointed by recent siens of continued buoyancy in the U.S. economy. Last week. the market learned of a record rise in the basic money stock and of a rebound in May indus-trial production.

Yesterday, the Commerce Department reported that May housing starts rose 5.3 per cent seasonally adjusted after a fall of 2.9 per cent in April. Investors have been hoping Value Index relinquished 0.46 to

**NEW YORK** 

Adobe Oil & Gas. 37: Adobe Oil & Cas. 37: Adobe Oil & Gas. 37: Adope Oil & Cas. 31: 3 Air Products. 30 Air Products. 35 Air P

Alcoa... Alleg. Ludium... Allegheny Power Alled Chemical...

Amerada Kess....

samera Oil ....

Benguet Cons B 3

Braniff Intl....... 1314 Brascan 'A' ........ 2012 Bristol Myers ..... 5312

Brit. Pet ADR ... 25.4

Carrier & Gener.

Certainteed.... 16.1 Cessna Arroraft... 16:4 Champion Inter... 24:3

rates. Last week a move to cut the Prime Rate by a 1 of a point to 111 per cent began, and a few more major banks followed yes-terday. However, some analysts view the reductions as only tem-

Volume leader Charter Company fell \$5 to \$284- and the Warrants 41 to \$25. American Financial, which has ended talks Charter convertible securities, lost ; to \$262.

American Telephone slipped ?

to \$583 despite higher profits for the three-months to May 31. C. F. Braun retreated 61 to \$391. The company stated on Friday that it had been approached about a merger but there were no current talks.
Amony Glassours and Blue

Chips. IBM receded li to \$721, General Motors i to \$591, East-man Kodak i to \$561, Teledyne i to \$121; and Du Pont i to \$128; Caesars World climbed 2! to 834, and Bally Manufacturing I to 8463 among Gaming issues. Active B. L. Burns gained ; to

\$47 on reporting a third-quarter

profit after a year-ago loss.
Shapeli Industries jumped 5!
to \$403. It is to tender for
500,000 of its shares at \$41 each. Rolm added 21 at \$37. It has heen chosen as the common missile computer system vendor for the cruise missile project. THE AMERICAN SE Market

Control Data .....

Digital Equip .... Disney (Walt: ....

Dover Corp'n ..... Dow Chemical...

Eastern Airlines 55: Eastern Kodak 56: Eastern Signature 55:

Eltra. 28%
Eltra. 28%
EmersonElectric 35%
EmeryAirFreight 26%
Emhart 56%
EM.I. 214
Engelhard 54%

Esmark ...... 26'4 Ethyl ...... 27

Fed.Dept. Stores 5014
Firestone Tire ... 151g
First Chicago .... 1714
Fst. Nat. Boston . 2714

Goodrich B. F.... 20%
Goodyear Tire. 16%
Goodyear Tire. 16%
Goodyear Tire. 16%
Grace W.R. 2714
Halliburton... 5716
Hanna Mining. 3819
Harris Corpn. 2816
Hewlett Packard 95

Hewiett Packard 95
Heliday Inns. 1914
Homestake. 524
Honestake. 5816
Hoover 1516
Hosp Corp. Amer 3016
Houston Nat. Gas. 29-7
Hunt: Ph.A. Chm 1819
Hottor (E.F.). 1654
I.C. Industries. 271
INA. 4512

IBM Itni, Flavour ..... Inti, Harvester Inti, Min & Chem Inti, Multifoods...

1812

Stock

Johns Manville

Johnson Control.
Joy Manufacturg
K. Mart......
Kaiser Alumini m
Kaiser Industries
Kaiser Steel...
Kaneb Services...
Kay.....
Kennecott......

Long lei nd Ltg ... 1658 Louisiana Land... 3058 Lubrizol......... 4314

Lucky Stores 16

Marsh McLenn'n 61

Marsh McLenn'n 61

Marsh McLenn'n 61

Norton Sinion.... Occident'i Petrol

Overseas Ship.... 29
Owens Corning... 26
Owens Illinois... 1954
Pacific Gas.... 2319
Pacific Lighting. 2151
Pac. Pwr. & Ltg... 2159
Pan Am World Air... 2559
Penney J. C... 3019
Penney J.

Polaroid ..

Potomac Elec.

Profit Gamble
Pub. Serv. Elec.
Pullman
Purex
Quaker Oats
Rapid American.
Raytheon
RCA
Republic Steel
Resorts Intl.

21% 50% 15% 24 17% 49% 24% 27% 44%

201 2118

MacMillan..... Macy R.H..... Mfrs. Hanover ...

Canada

Stocks closed mixed overall yesterday following another active husiness. However, the Toronto Composite Index lost 3.4 to 1,577.2, dragged down by a sharp reaction in the recently strong Oils and Gas sector, which receded 33.7 to 2776.9 on index. Golds shed 6.2 to 1.812.0 and Metals, and Minerals 3.9 to 1.313.5, but in Montreal, Banks put on 2.63 to 296.76 and Utilities 1.14 to 236.58.

Among retreating Oils. Dome Petroleum, the most active Toronto issue on 119,214 shares, fell C\$2 C\$ 581.

Tokyo

Share prices moved further ahead in light trading, with Shipping Lines. Machineries and energy-related issues leading the Stores and Electricals.

443.84. Volume came to 150m 993 and Cie Bancaire FFr 8.5 to shures, against last Friday's FFr 401.5. lkegai Iron Works advanced

Y14 to Y267 and Okuma Machinery Works Y12 to Y395 Machinery Works Y12 to Y395 good snowing, closed mixed to on increased demand for lower following a moderate machine tools, while other business. Some dealers attributed the line of the megative market mood partly to climbed Y27 to Y740, Tokyo a statement by West Germany's Electric Power Y35 to Y970, Economics Minister, Otto Graf Kyoto Ceramic Y20 to Y3.320 and Lambsdorff, in which he said a Gasio Y10 to Y730. However, further 20 per cent rise in oil

Stock

Reynolds (R.J.) 5612 Rightson Merrell 2054 Rockwell Inter 3919 Rohm & Haas 3752

Royal Dutch..... 59

Sea Containers.. 1758

Sears Roebuck... 19½ SEDCO............ 26¼ Shell Oil .............. 40% Shell Transport... 50¼

Southern Cal.Ed. 27's

Southern Co...... 131; Southern Nat Res 38

Union Carbide.... 5714 | 5712 UnionCommerce 1132 | 1136 Union Oil Cair.... 5814 | 5818 Union Pacific..... 575g | 6818

Warner-Gommn. 241s 344s 344s 344s Warner-Lambert 235s 22s Waste-Man'ment 32s 32s 23s Walls-Fargo .... 271s 27s 27s 28s Wastern Bancorp. 2851 28s Wastern N-Amer. 351s 351s 351s Wastern Union ... 211s 22s Wastern Union ... 21s 28s Wastern Bancorp. 285s 18s 18s Wastern Wastern ... 285s 28s 28s Wasternaeuser... 285s 28s 28s White Con. Incl. ... 261s 265

Tektronix 5034 31
Teledyne 12112 12118
Tolex 414 419
Tenneco 3412 3412

2572 2614 5412 5413 1572 26 3413 3514 2066 2012

Smith Kline ...... Solitron ...... Southdown ,.....

**Paris** 

Helped by institutional buying. stocks mostly gained ground in fairly quiet trading.

Brokers said investors were influenced to a certain extent by a Bank of France report stating that industrial output had been stronger in France in May than in April. Also aiding sentiment was a cut in the Call Money rate to 7; per cent from S per cent. Oils led the market higher,

with Elf-Aquitaine, which on Friday reported finding traces of oil in South West France, advancing FFr 41 to FFr 751.

Portfolios, Foods, Metals and Chemicals were also favoured, but declines predominated among Constructions, Banks,

way.

The Nikkei-Dow Jones Average rose 44.27 more to 6.188.21 and the Tokyo SE index 1.64 to Michelin "B" FFr 30 to FFr 4.5 to FFr 60.5, Michelin "B" FFr 30 to FFr

Germany

The market, after last week's good showing, closed mixed to lower following a moderate

Stock

CANADA

Daon Devel...

Dome Mines. .... 431<sub>2</sub> Dome Petroleum 485<sub>8</sub> Dominion Bridge 37

Genstar..... 23 GlantYell'wknife † 11 GulfOrlof Canada 601<sub>2</sub> Hawker Sid, Can. 131<sub>8</sub>

Inland Nat. Gas... 14:3
Int. Pipe Line... 20
Kaiser Resource... 23:3
Lobiaw Com... 8' 4.25
McMill n Bloed 1. 24:4
Marks & Specicer' 9%
Massey Ferguson. 13:3
McIntyre......... 50:2
Moore Corpn...... 58:70
Noranda Mines... 44:2
Norcan Energy... 24:4
Nth. Telecom....... 45:1
Numac Oil & Gas' 39:1
Oakwood Petr'm 10:4
Pacific Copper M. 1.85

Pan CanPetrol'm 58 575g
Patino 23 251g
Place Gas & Oil 3.45 5.50
Placer Develop't 51 291g
Power Corp'n 1554 14
QuebecSturgeon 170 291g
Reed Stenhouse: 1014 1014
Rio Algom 5414 355g
Royal Bk. of Can. 595g 393g
Royal Trustco. 1714 171g

† Bid. ‡ Asked. **§ Traded.** § New Stock,

Sceptra Res urca

that the economy would slow to ease upward pressure on interest (5,46m).

The price was possible.

196.73 on volume of 4.54m share (5,46m).

196.73 on volume of 4.54m share (5,46m). share price list was unavailable yesterday due to com-problems at the exchange. mann DM 1, while among Chemicals, Roechsi receded DM 1.30 and BASF DM 1.20.

Motors had BNW down DM 1.50 and Volkswagen off DM 1.10, while in Banks, Dresdner while in Banks, Dresdner declined DM 1.10 hut Deutsche gained 50 pfennigs. Karstadt fell DM 8 and Kaufhof DM 5

rell DM 8 and Kaufnof DM 5 in the Stores sector.

Public Authority Bonds were mixed, showing gains of up to 25 pfennigs and losses extending to 30 pfennigs. The Bundesbank sold DM 29.8m nominal of paper after sales of DM 103m last Friday. Mark Foreign Loans were steady to firmer.

Australia Markets were closed yesterday for the Queen's Birthday holiday.

Hong Kong The market partially reacted

after an initial fresh rise, leaving the Hang Seng index only 2.43 higher on the day at 546.22 following moderate trading. Properties gained strongly in the morning ahead of the Tsim Sha Tsui East land auction, but came off the top in late trading

despite the positive result of the HK Land gained 5 cents to HK87.15, Cheung Kong 20 cents to HK811.40. SHK Properties 10 cents to HK89.90 and Associated

Hotels 5 cents to HKS2.90. Tai Cheung were 2 cents firmer at HKS1.53 ahead of news of higher final dividend and profits. Among the leaders, HK Bank lost 10 cents to HK\$13.00 and Wheelock "A" 2.5 cents to HK\$3.325, but HK Wharf rose Bourse prices were narrowly mixed after slow trading.
A lower U.S. dollar fixing caused most Dutch Internationals to ease a little, but Hoogovens gained Fl 0.40.

HK\$1.00 to HK\$34.25 on land auction senument, while Hutchison Whampoa put on 7.5 cents to HKS4.425. Elsewhere, Hang Seng Bank Fl 1.50. added HK\$1.00 at HK\$75.50. Banks Green Island Cement 25 cents at HKS33.00 and Hong Kong Telephone 20 cents at HKS23.90.

Johannesburg Gold shares eased in places. Fl 260, but Ennia put on Fl 1.50

affected by lower bullion prices, and Amey Fl 1.30. but some issues improved. Diamond leader De Beers shed 5 cents to RS.30 on London selling. Coppers were basically unchanged, while Platinums were quietly mixed. Implats gained 5 cents to R4.15.

Market was predominantly lower in quiet trading, although among oils. Petrofina moved ahead BFr 65 to BFr 4,725, while elsewhere. Solvay increased

Industrials were mixed to

AMSTERDAM

Noyalutrania 122.0 -0.3 21.5 9.0 Tokyo Pac Hids\$ 132.0 +0.5 \$0.50 0.5 Unitever (Fi.20), 122.5 -0.2 44.8 7.2 Viking Res. . . . 54.7 si -1.2 \$0.20 0.9 Volker StynFi20 58.0 si -3.0 30 8.5 West Utr. Hypok 356 +1 35 4.5

10 2.9 97 3.2 +1 38 8.6 +1 -1 9 4.2 4-1 10 3.8

COPENHAGEN &

GERMANY +

NOTES: Overseas prices shown below exclude \$ premium. Belgian dividends are after withholding tex.

• DM 50 denom, unless otherwise stated.

• PTB 500 denom, unless generwise stated.

• DK 100 denom, unless generwise stated.

• DK 100 denom, unless generwise stated.

• SWFr 500 denom, and Bearer shores funless otherwise stated. 
• SWFr 500 denom, and Bearer shores funless otherwise stated. 
• YF0 denom, unless generwise stated. 
• Traded. 
• Seller. 
• Assumed dividend after pending rights and/or scrip issue. 
• A Price focal taxes. 
• Trans. including Unitac div. 
• DKr 100 denom, unless generwise stated. 
• Traded. 
• Traded. 
• Seller. 
• Assumed dividend after pending rights and/or scrip issue. 
• A Price focal taxes. 
• Trans. including Unitac div. 
• DKr 100 denom, unless generwise stated. 
• Traded. 
• Traded. 
• Seller. 
• Assumed dividend after pending rights and/or scrip issue. 
• A Price focal taxes. 
• Trans. including Unitac div. 
• Nome to Unitac div. 
• Nome to Unitac div. 
• Nome to Unitac div. 
• Unofficial trading. 
• Minority holders 
• Bid. 
• Traded. 
• Seller. 
• Assumed. 
• Seller. 
• Assumed. 
• Seller. 
• Assumed. 
• Traded. 
• Seller. 
• Assumed. 
• Seller. 
• Assumed. 
• Seller. 
• Assumed. 
• Seller. 
• Assumed. 
• In the trading of the price o

AEG. 52.9 ± 0.6 - Asahi Glass. 342 Canon. 553 Caslo. 730 SMW 202.0 - 1.5 28.12 6.9 Caslo. 557 Caslo. 750 Caslo

easier in subdued trading. The Johannesburg closing

Stock prices were mixed but

with a better undertone on a

rather low volume.
The dollar's fluctuations left

the exchange rather confused, one dealer said, and robbed it

of the chance to close a bit higher. "If the dollar steadies." he said, "the market will pick

Union Bank advanced SwFr 20

Shares closed firmer-inclined

more active Settlement Day

of trading. Carlo, Erha, IBP and Eridania

closed substantially higher. IBP climbed to L4,850 from Friday's

week's rise, with KNSM losing

Banks were generally lower, Algemene Bank Nederland sliedding Fl 1, but Insurances

Elsewhere, Elsevier was a

1,800 from L1,737.

Amsterdam

improved.

Brussels

BFr 25 to BFr 2,645.

June 18

A.L. 2,890 Cansai Elect.Pw 1,050 Comatsu 336

Kyoto-Ceramic. 3.320
Matsushita Ind. 699
Mitsubishi Bank. 357
Mitsubishi Hevy. 147
Mitsubishi Corp. 460
Mitsubishi Corp. 1467
Mitsubishi Corp. 1467
Mitsubishi Corp. 1467
Mippon Denso. 1,490
NipponShimpan, 607
Nissan Motora. 2,050
Saryo Elect. 328
Sekisui Prefab. 740
Shissido. 1,030
Sony. 2,120
Taisho Marina. 240
Takeda Chern. 467
TOK. 1,770
Teijin 135

Atuminium 1.240 5 8
BBC A' 1.750 10
CibaGeigyFr100 1.265 5 22
Do. Part Cert. 1.020 22
Do. Reg. 693 -1 22
Credit Sulsse 2.150 16
Electrowatt 1.890 10
Fischer(Georg) 730 5
HoffmanPtCert. 75.000 500 1106

June 18 Price + or Div. Yid.

SWITZERLAND 9

MILAN

Asahi Glass.....

SwFr 5 to SwFr 1,265.

Milan

trading.

Switzerland

#### Indices

NEW YORK -DOW JONES

			<u> </u>	<u> </u>	<del></del>	:		79	Sines B	in pitt
	June 18	June 15	June 14	Juna 13	June 12	June	Нер	Low	High	Lew
+ industr'is	838.40	845.10	842.84	, 842,17	845.23	837.5 <b>8</b>	979.72 10/41	\$07.00 (27°T)	1057,74 (11/1/15)	4 32 (2/78)
L'ree R'rete	85.36	85.51	85.26	t5.21	E5.00	84.77	(2:7)	#2.52 (8/8) 206.78	278.65	- TO PE
Transport.	258.73	240.80	241.09	241,72	241.87 405.70	203,23	12 61 105 75	(27.2) 88.51	(7.2.48) 164_52	
Utilities				•			(15.5)	(15,0)	(20/4/59)	بيا بطر)
Trasting vol 000'st	31.130	35,010	37.970	40,818	'46,580 '	25,292	i <b>–</b>	I -		<del></del> .

e Day's high 845.20 low 856,25

June 15 | June 8 - June 1 Year ago (a) 6.07

to SwFr 3,135, Zurich Insurance SwFr 325 to SwFr 12,575, but Aluminium declined SwFr 5 to SwFr 1,240 and Giba Geigy STANDARD AND POORE Migh Low High Lm Indust's ... 112.68 115.54 115.51 115.51 114.59 114.41 116.69 107.69 166.64 2.55 (87.1) (27.8) (1.1.1.1.5) (20.1) (27.8) (1.1.1.1.5) (20.1) (27.8) (21.1.1.1.5) (20.1) (27.8) (27.8) (27.8) (27.8) (27.8) (27.8) (27.8) (27.8) (27.8) (27.8) (27.8) Composite, 101.56 102.09 152.25 102.51 102.55, 101.91 185.54 Covering operations took prices higher in active trading in the first part of the session, but sales dominated the last hour

5.24 5.28 Ind. div. yield % 7.98 Ind. ME Ratio 3.98 8.95 2.44 Lon Gov. Bond Yield

L4.230 and Erba was up to Rises and Falls Fiat, however, was affected by heavy sales, and closed at L2,649, N.Y.S.E. ALL COMMON down from L2,657.

Invest held firm and didn't luna June June June High | Low react to the company's decision to take over Fingest from 57,56,57.85 57.87 57.95 58.18 | 53,68 (10,4) (27/8)

MORTREAL 12 Inte 255,48 (12/5) | 219-13 (2/1) 256,41 (12/6) | 235,89 (2/1) Industrial Combined 1677.2 1580.6 TS68.1 1572.6 1580.8 (16:6) 16:5.8 (T/1) TOROWTO Composite JOHANNESBURG 297.6 254.8 288.8 284.5 297.8 (12.6) 298.8 303.2 305.3 508.8 354.8 (25.6) Gold Industrial

Australia (\*) 🗥

Holland (56) 73.1 72.8 58.9 (4/8) (2/1) (a) 445.64 442.28 462.97 435.22 Singapore (J) 598.41 594.78 404.13 346.54 (29/5) (23.2) MONDAY'S ACTIVE STOCK Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named hased on 1975. I Excluding bonds have been seen as a see that the see that

STOCKHOLM **AUSTRALIA** Prices + or Div. Yld. Aust # AGA AB (Kr. 40), 175si +3 Airk Lavai(Kr. 50, 180si - 5, 180si - 5, 180si - 5, 180si - ACMIL (25 cents) +0.01 90.08 11.60 |+0.06 11.75 10.28 |+0.01 11.75 Elec lux 5 (Kr30 10.28 +0.11 Ericson 8 (Kr50 11.85 -0.85 Essete (Free).... ... 30 '+10 Aust. National Industries
Aust. Oil & Gas
Bumboo Creek Gold.....
Bumboo Creek Gold.....
Botal
Botal
Botal
Boyle Leatering -0.24 Skand Enskilda. Tandetik B(Kr50 Uddeholm..... +0.01 -0.10 +0.02 -0.05 †1.85 †3.96 †1.24 Volvo (Kr 50) .... 70.5± + 1 OZFO Container (61).

Conzunc Riotintò

Costain Australia

Dunlop Rubber (50 centi
ESCOIR.

Elder-\$mith
Endeavour Resources.
E.Z. industries
Gen. Property Trust.
Hamersi ey.
Hocker
Idi Australia
Inter Copper
Jeanings Industries
Jissberiana Minerals.
Jomes (David).

10.72 12.20 10.30 10.67 11.50

Jones (David)
Lennard Oil
Mutais Exploration
Mutais Exploration

MIM HoldingsMyer Emporium
News
Nicholas International...
N. Broken H'dings (50c).
Oakbridge
Oil Search

Rickett & Colman
St sigh (H.C.)
So githland Mining
Spiringes Exploration
Thomas Mat. Trans.
Treths (\$)
Weltons
Western Mining (50c)
Western Mining (50c)

June 18 Price + or

P/cRis\_

BRAZIL

Tokyo

+0.01 Bergen Bank .... 102 -0.02 -0.81 +0.03 Borregaard..... Creditbank... Kosmos.... +0.05 +0.05 +0.05 -0.02 -0.10 JOHANNESBURG

-0.05 Kinross 6.82
Kloof 15.00
Rustenburg Platinum 2.87
St. Helens 17.75
Southwas! 12.45
Gold Field's SA 40.30
Union Corporation 8.25
De Beers Deferred 8.35
Blyvooruitzicht 7.80
East Rand Pry 9.70
Free State Geduld 28.00
President Brand 20.50
President Steyn 18.75
Stilfontein 7.50
Western Holdings 38.75
Western Holdings 38.75
Western Deep 18.25 -0.93 10.13 | ..... 10.35 | ..... 11.12 | ..... 12.55 | ..... 20.56 | ..... 10.56 | ..... 10.30 | .... 11.38 | ..... 11.38 | ..... 11.50 | .... 11.50 | .... 11.50 | .... 11.50 | .... 11.50 | .... 12.20 | .... 12.24 | .... 13.24 | .... 13.24 | .... 14.35 | .... 15.36 | .... 16.36 | .... 17.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 | .... 18.36 |

Currie Finance 0.85

De Beers Industrial 116.20

Edgars Conseld, Inv. 12.40

Edgars Conseld, Inv. 12.40

Edgars Storea 1.95

Greatermens Stores 12.90

Huletts 2.20

McCarriny Rodway 0.85

NedSank 3.70

OK Bazaers 3.10

OK Bazaers 3.10

Premier Milling 5.55

Pretoria Cement 4.55

Pretoria Cement 4.55

Rand Mines Properties 2.00

Rembrandt Group 3.40

Rembrandt Group 3.40

Resco 0.38

Sage Holdings 1.57

SAPPI

C. G. Smith Stager 3.20

C. G. Smith Stager 3.20

C. G. Smith Stager 3.20

C. S. Breveries 1.52

Tiger Oats and N. Mig. 10.20

Unisec 1.33

Financial Rand U.S.\$0.91 (Discount of 221%)

June 15 June 15
Aaland
Banco Bilbao
Banco Central
Banco Central
Banco Central
Banco Central
Banco Hispane
Bco. I. Cat. (1,000)
Banco Madrid
B. Santander (250)
Banco Vizcaye
Banco Vizcaye
Banco Vizcaye
Banco Direcados

ABN C F.344.20 ABN C F.354.20 ABN C F.374.20 AKZ C F.27.50 AKZ P F.32.50 EK C 560 HO C F.30 HO C F.30 BM C 573 IBM C 573 F.342 5871, F.30.60 1.30 54g ۶74 ° 2.50 11 21 10 -8.50 F.105.40 440 " 285 1.40 F.23.60

**EUROPEAN OPTIONS EXCHANGE** 

2 13.20 1 8.50 2 4.20 2 1.60 332 iz F.143.30 3.80 Feb. Nov. 2 le: . TOTAL VOLUME IN CONTRACTS

MAGE		-17	Alle Wales
A.B.N. Bank	14	ᅈ	■ Hambros Bank 14 %
Allied Irish Banks Ltd.	14	95	# Hill Samuel\$14 €
Amro Bank	14	q,	C. Hoare & Co
Américan Express Bk.	14	άř	Julian S. Hodge 15 %
A P Bank Ltd	14	Æ	Hongkong & Shanghai 14 %
Henry Ansbacher	14	ŎĞ.	Industrial Bk. of Scot. 12 %
Associates Cap. Corp	14	ě	Keyser Ullmann 14 %
Banco de Bilbao	14	œ,	Knowsley & Co. Ltd 151%
Bank of Credit & Umce.	14	ď	Lloyds Bank 14 %
Bank of Cyprus	14	٩	London Mercantile 14 %
Bank of N.S.W	14	٩,	Edward Manson & Co. 15 %
Banque Belge Ltd	14	96	Midland Bank 14 %
Banque du Rhone et de			Samuel Montagu 14 %
la Tamise S.A	14	97	■ Morgan Grenfell 14 %
Barclays Bank	14	%	National Westminster 14 %
Bremar Holdings Ltd.	15		Norwich General Trust 14 %
Brit. Bank of Mid. East	14	%	P. S. Refson & Co 14 %
■ Brown Shipley	14	6.2	Kossminster 14 %
Canada Perm't Trust	14	%	Ryl. Bk. Canada (Ldn.) 14 %
Cayzer Ltd	14	4	Schlesinger Limited 14 %
Cedar Holdings	12	%	E. S. Schwab 13 %
Charterhouse Japhet	14	œ,	Security Trust Co. Ltd. 15 %
Choulartons	14	ož.	Shenley Trust 14 %
C. E. Coales	14	%	Standard Chartered 14 %
Consolidated Credits	14	%	Trade Dev. Bank 14.%
Co-operative Bank*	'14	Ę	Trustee Savings Bank 14 %
Corinthian Secs		%	Twentieth Century Bk. 15 % United Bank of Kuwait 14 %
Gredit Lyonnais		%	Whiteaway Laidlaw 141%
The Cyprus Popular Bk.		۳.	Williams & Glyn's 14 %
Duncan Lawrie		%	Yorkshire Bank 14 %
Eagil Trust		%	
English Transcont		q,	Mambers of the Accapting Houses Committee.
First Nat. Fin. Corp		%	
First Nat. Secs. Ltd	14	°v	7-day deposits 11½%, 1-month deposits 11½%,
Antony Gibbs	14	%	7 day deposits on sums of £10,000

BASE	LEN	DING RATES
A.B.N. Bank	14 %	■ Hambros Bank 14 %
Allied Irish Banks Ltd.	14 %	# Hill Samuel§14 %
Aniro Bank	14 %	C. Hoare & Co
Américan Express Bk.	14 %	Julian S. Hodge 15 %
A P Bank Ltd	14 <b>%</b>	Hongkong & Shanghai 14 %
Henry Ansbacher	14 %	Industrial Bk. of Scot. 12 %
Associates Cap. Corp	14 %	Keyser Ullmann 14 %
Banco de Bilbao		Knowsley & Co. Ltd 151%
Bank of Credit & Umce.	14 %	Lloyds Bank 14 %
Bank of Cyprus Bank of N.S.W	14 %	London Mercantile 14 %
	14 ዊ, 14 ዊ,	Edward Manson & Co. 15 % Midland Bank 14 %
Banque du Rhone et de	74 .70	Samuel Montagu 14 %
la Tamise S.A	1410	Morgan Grenfell 14 %
Barclays Bank	34 °C	National Westminster 14 %
Bremar Holdinos Ltd	15 Œ	Norwich General Trust 14 %
Brit. Bank of Mid. East	14 %	P. S. Refson & Co 14 %
■ Brown Shipley		Rossminster 14 %
. Canada Perm't Trust		Ryl. Bk. Canada (Ldn.) 14 05.
Cayzer Lid	14 %	Schlesinger Limited 14 %
Cedar Holdings	12 %	E. S. Schwab 13 %
Charterhouse Japhet		Security Trust Co. Ltd. 15 Ct. 1
Choulartons	14 %	Shenley Trust 14 %
C. E. Coales	14%	Standard Chartered 14 % Trade Dev. Bank 14 %
Consolidated Credits		Trusiee Savings Bank 14 %
Co-operative Bank*	14 %	Twentieth Century Bk. 15-%
Corinthian Secs.		United Bank of Kuwait 14 %
Gredit Lyonnais		Whileaway Laidigu 14444
The Cyprus Popular Bk.	14 %	W1∐12101S & Glvn's 14 % I
Duncan Lawrie	14 %	Yorkshire Bank 14 %
Eagil Trust		Mambers of the Accepting Houses
English Transcont		Committee.
First Nat. Fin. Corp First Nat. Secs. Ltd		* 7-day deposits 111-%, 1-month
		peposits 17%*;,
Antony Gibbs		† 7-day deposits on sums of £10,000
Greyhound Guaranty		and under 1112%, up to £25,000 12% and over £25,000 12% %.
Grindlays Bankt	,,,	t Call deposits over E1,000 11125.
Guinness Mahon	14%	Demand deposits 11-74.

Creditanstalt.... 336
Perimooser..... 276
Selecta..... 350 + 81
Semperit .... 81 + 81
Steyr Daimier... 263m
Velt Magnesit... 263m

# ood aid

JSSELS-The EEC Commisyesterday announced a 28 cent increase in interonal food aid contributions -called for immediate inses from other donor

Community, which ites the food from surplus agricultural stocks and individual member states, ising its food aid under the rnational Food Aid Convento 1.65m tonnes of grain 1979-80 from 1.29m tonnes. rst set up in 1971 to help loping nations, the conven-will be renegotiated from 25 in London and the Comion is urging larger contriold accord expires on 30 and should be replaced a new agreement at the aning of July.

stress its call for larger tions the Commission ted out that both the U.S. Sweden intend to raise their idual contributions indeently of any new food aid

ement is reached.

#### nother big panish olive l crop

ISHINGTON - THE U.S. ulture Department said t appears to be heading for er good olive oil crop in 979-80 season, and output be about the same level e 500,000 tonnes produced e 1978-79 season

its round-up of world proon and trade developments JSDA said this should be ff-year for production, but tic conditions have been ted as ideal. Such a crop l put additional pressure he olive oil stock level, aiready stands at a

> oil stocks could reach y 300,000 tonnes soon after nber I and the storage of the Spanish Farm Comy and Price Stabilisation y would be fully utilised SDA said.

# EEC urges | Le Nickel cuts prices

BY JOHN EDWARDS, COMMODITIES EDITOR

group, confirmed yesterday that market trend. it was cutting its world price for nickel to bring if back into acted so quickly to come into interest. line with other producers. The cost of its eletrolytic nickel has been reduced by 20 cents to \$3 a lb and there are similar reductions for other nickel products. Earlier this month Le Nickel raised its prices by 35 cents a lb expecting other producers to follow as a result of the scarcity of supplies caused by the mine-month-old strike at International Nickei's

Sudbury mines. only 15 cents and other leading producers following the more modest increase leaving Le Nickel out on a limb. It was, therefore, considered virtually inevitable that Le company spokesman. Copper a bigger than expected rise in Nickel would have to bring also lost ground. Cash wirebars LME warehouse stocks. Tin down its price but it was thought the groun might delay to the control of the company spokesman. The market was former. thought the group might delay tonne.

line depressed values on the London Metal Exchange nickel to close at £2,870 a tonne, well

ducer price of £3,225. The decline in nickel was en-couraged as well by a general Cash lead fell by £32 to £669.5 a tonne, as a result of freer offerings of supplies and specu-Sudbury mines.

However, International Nickel decided to put up its prices by only 15 cents and other lead-

LE NICKEL, the French-based rather longer to judge the depressed by continued speculative selling in New York and The fact that Le Nickel have lack of consumer buying

Reuter reported from Santiago that the Chilean State Corfutures market yesterday, poration, Codelco, has agreed to Three months nickel lost £180 meet representatives of the mineworkers' union this week to below the current official pro- open talks on a wage claim. This could lead to some nervousness later on if a strike is threatened.

In Toronto Sherritt-Gordon Mines said it had reached tentative agreement to end the strike which started on June 1 at its copper and zinc mines. News of a cutback in deliveries by Alcan stopped a slide in aluminium prices, but cash aluminium closed £18.5

market was

#### U.S. sales plan hits sugar

BY OUR COMMODITIES STAFF

also urged donor nations back yesterday following an announcement by the U.S. a new International Wheat Department of Agriculture that it is planning a sales policy to dispose of 1977 and 1978 crop surplus sugar held by the Commodity Credit Corporation.

On the London futures market, the October position lost £2.05 to close at £109.95 a tonne. Even though the department stressed that the sugar would be sold back to the domestic market "on an orderly basis." it was felt by traders that any sales by the CCC world reduce U.S. imports from the world markets, reports Renter. The sugar held by the Credit Corporation is surplus U.S. produc-

tion bought to maintain prices compatible with our market to domestic growers. compatible with our market price objective," Mr. Bergland to domestic growers. An interim loan programme for the 1979 crop at 13 cents a pound is to be set up, pending legislation still being considered by Congress for a support price of 15.5 cents.

Bob Bergland, U.S. Agriculture Secretary, said CCC-owned Sugar will be offered for sale at this was the excess of ISO quotas at their minimum level quotas at their minimum level beginning on July 1. Sugar that appeared to be in danger of going out of condition will be sold at the market price, he "Our goal is to sell all the account

Sugar Council has approved statistics indicating a calculated surplus in the free market in 1979 of 258,000 tonnes. An International Sugar

national average loan rate, plus along with exports from reasonable carrying charges, non-members of the sugar pact and other special ISO quotas over estimated free market requirements this year of 17.63m tonnes.

Meanwhile, the International

calculation takes of estimated non-This 1977 and 1978 crop sugar over member the next 15 months at a price tonnes. exports of

## Setbacks for Guyana bauxite

BY OUR GEORGETOWN CORRESPONDENT

THE GUYANA mining enterprise (Guymine) recently re- Alumina plant broke down ported two mishaps which will mevitably have a temporary effect on output.

A new mine, the East Montgomery, opened at a cost of £20m, suffered a landslide days after it became actives and tonnes of salt were dumped on 80,000 tonnes of bauxile ore exposed for mining.

Then a conveyor system at the put of 110,300 tonnes. and the alumina plant back into

operation.
Meanwhile the sugar industry drop has just closed with an out- year).

Alumina plant broke down The rainfall had an adverse under load, leaving the plant effect on yield of sugar from idle. It will take another two the canes, transportation, tillage, weeks to bring the new mine and will cause reduced yield in and will cause reduced yield in

the next crop cycle.
The Guyana Sugar Corporation (Guysuco) is still optimishas taken a first (spring) crop tic, however, that, with an early beating from three months of start to its second (autumn) steady rainfall, causing it to crop, it can still make the 1979 trail 30 per cent behind its crop target of 360,000 tonnes (comtarget of 157,076 tonnes. The pared with 325,000 tonnes, last

#### Coffee down | WEST GERMANY as frost fears ease

BY RICHARD MOONEY

COFFEE FUTURES prices of the London market continued Friday's sell-off yesterday following a weekend of rising temperatures in Brazil.

As traders discounted the possibility of another damaging frost in the immediate future the September position lost another £58 to end the day at £1,960.5 a tonne—£124 below the peak last Thursday. Since frost hit the Brazillan

month, wiping out an esti-mated 20 per cent of the 1980-1981 crop, frequent bouts of cold weather have kept the world market in a highly nervous state. temperatures rose

coffee crop at the end of last

gradually over the weekend and the Brazilian National Department said yesterday that the rise was expected to continue at least until this morning. The fall in cocoa futures prices also continued yester-day with the September position closing £39.5 down at

£1.648 a tonne. poltical situation in Ghava. aggravated by the executious at the weekend, encouraged a

firm tone in early trading. But trade reports that declarations against two Ghana cocoa Shipments, totalling between 2,000 and 3,000 tonnes, had been received in and Australia later helped to allay fears that cocoa exports could seriously delayed.

Traders also said hopes of an early return to civilian rule helped the decline.

#### Thai tapioca mission to visit EEC

BANGKOK—A Thai trade mission will visit the EEC early next week to find solutions to problems arising from the export of tapioca to the com-munity. Commerce Minister, O. B. Vasurat, said here.

Thailand's Board of Trade said the country this year would have 4.58m tonnes of tapioca products available for export, out of which 2.1m tonnes were shipped overseas in the first four months

Thai tapioca exports, one of the country's main foreign exchange earners, reached 6.2m tonnes last year, 70 per cent going to the EEC.

# Change of mood over farm policy crisis

BY JONATHAN CARR IN BONN

FOR WEST GERMANY it was then vote more cash to prevent underlining even at a moment a rather unusual occasion, the Policy from collapsing. Politicians, academics, reprejournalists had all been brought was only a tiny fraction of the together under one roof to Community's gross national pro-discuss a single problem—the duct. "My income is an even future of the European Com- smaller percentage of GNP but Each group is more than used to efficient," snapped Professor

of mood on the CAP in West mission, made a pointed warn-Germany. Apart from occasional eruptions of outrage by Chancellor Helmut Schmidt at the "massive misguidance of economic resources" of the CAP, there has long been a feeling here that farming affairs are best left to farmers (or, more precisely, to their representa-tives). The CAP was simply accepted as a "cornerstone of the European Community"—at first a cross borne for the sake of good relations with France, later (with some surprise) as a policy which benefited German farmers too.

showed there is now widespread In another recognition that the Company of the com recognition that the CAP faces Tangermann of Frankfurt Unia crisis and that strong measures will be needed to avert it. That even goes in large measure for the meeting's most motable participant, Herr Josef farm investment promotion. If some farm investment even Minister. No one questioned the Minister. No one questioned the with current high agricultural view that if the bill for surplus prices, did not pay without production continued to increase State support, then it was available finance for the CAP certainly senseless and should would run out at the latest in be dropped.

when more voices seem to be There was little disposal to sentatives of the European try to defend the CAP simply reform. He stressed the need Commission, farmers and because total expenditure on it for a high level of food selfsufficiency for Europe, linking

mon Agriculture Policy (CAP), that doesn't mean I am delivering its own, often heated. Koester of Kiel University. Nor remarks about the CAP. At the was there finally much apparent university of Stuttgart-Hohen- belief that a change from heim this month all had the unanimity to majority decision-chance simultaneously to making in the Council of That such a meeting took place at all indicates a change of mood on the CAP in Manager of the Remember of the ing against wishful thinking-

which seemed generally to be

taken to heart. There were repeated inter-ventions which would have pleased many British earsmore use of price policy to curb the surplus problem, greater comphasis on market forces and so on. But a change to a British-style deliciency payments system was held by most to be far ton costly. In one notable address, Dr. Carl Dobler, vice-president of the German Farmers Association, strongly supported introduction of quotas for some surplus

In another, Professor Stefan

this to the clear dangers resulting from dependence on overseas supplies of energy. Secondly, he underlined the contribution of agriculture to maintaining social structures and a landscape which helped to make Europe worth living in. Neither point meant there was not a serious problem—in the milk sector, above all. He felt the following mix of measures should be adopted to deal with this, First a "cautious" price policy should be pursued. It was learned this meant a small. nominal increase for 1979 which would be accompanied by reduc-

amounts in hard currency countries, i.e. Germany He also supported an increase in the levy on producers of milk surpluses (differentiated to hit big producers hardest), further premium payments for nonmarketing of milk and for switching from milk to meat production, and a continuation of, cheap butter sales. Privately, he had friendly words for Britain's new Agriculture Minister, Mr. Peter Walker, and he appeared ready to agree that there was a special case to be made for New

tion of monetary compensatory

and in future.
All that adds up not to a magic formula but to what looks like a reasonable discussion; basis with the British, provided, . that is, there is no overt pressure for direct steps which would actually reduce German', farmers incomes. Such pressure would unite even doubters : would run out at the latest in be dropped.

1981. And no one had any conling seneral policy terms, Herr Cabinet against those who tried fidence that governments would Ertl made two points worth to apply it.

Zealand produce in the EEC.

# West German farmers to pay more tax:

WEST GERMANY'S farming seemed possible. community will have to pay more income tax once an agreement reached yesterday by ministers in Bonn becomes law, Hans Matthoefer, and the writes Jonathan Carr. But Justice Minister, Herr Hans Jochen Vogel, under the chair-markin of Chancellor Helmut struggle carried on for months by the Agriculture Minister, Herr Josef Ertl, the final addi-

The accord was reached at a Schmidt.

The agreement envisages be much smaller than once many more farmers than at finance ministry experts.

present will have to keep accounts and their tax liability. can thus be more precisely assessed. But simultaneously the tax-free element of farmers' incomes will be increased. The upshot is that only about DM200m extra in tax revenue will be raised annually-instead tional tax bill for farmers will tougher regulations so that thought possible by enthusiastic.

#### ITISH COMMODITY MARKETS

A Guide to

**Accounts** 

lanaged Commodity

king about placing funds in commodities? What should you ct from a broker? Before committing yourself, or your money,

ER.—Lost ground on the London ixchange. Forward metal opened 4508 and adged up to 5311 intending, reflecting modest trade. This level brought out profit and the price disped to the low of £371, in the strandom a veloped and forward metal rose 1206 before ending the lete 1 5304. Turnover 28,825 tomics.

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around £7,070 and fell back to a lew-of £7,025 owing to the weakness of other mateis. However, the physical business prompted & rise in forward metal which litted to close the late Kerb at £7,070. Turnover: 1,225 tonnes.

Morning: Standard, cash 17,450, three months £7,300, 40, 35 30, 35. High Greek, cash £7,450. Kerb: Standard, three months £7,030, Atterneon: Standard, three months £7,030, 70.

LLEAD—Lost ground following an unexpected rise in warehouse stocks which prompted free rofferings of cash metarial and narrowed the backwards—tion to around £50. After opening around the £635 level forward metarifiell away to £514 in the afternoon before closing the lett Kerb at £517.5. Turnover: £200 stonness.

Morning: Cash £576, 72, 70 three months £528, £55, £5, 23, 22, 21, 20, 19, 18, 19, 20, 17. Kerb: Three months £515, 14, 16, 17, 19 20, 21, 22, 20, 19, Kerb: Three months £515, 24, 26, 17, 19, 15, 19, 20, 17. Kerb: Three months £515, 24, 20, 18, 17, 19, 15, 17, 19, 16, 17, 19, 18, 17, 20, 18, 17.

### e.m. + or p.m. + or Official - Unofficial; -£ £ 52 -20.5 ZINC—Held steady reflecting a de-cline in stocks and reports of trade support. Forward metal was quoted at \$370 to \$372 on the pre-market and sased marginally to £368 before relly-ing to close the late Kerb at £372.5. Turnover: 2,125 tonnes. Morning: Three months £372, 71, 70, 59. Alternoon: Three months £370, 71. Kerb: Cash £358.5, three months £373, 71. ZINC Official + or p.m. 1+or remains

ALUMINIUM — Sharply lower as speculative and atop-loss, selling depressed forward metal from £775 on the serty pre-market to the day's low of £756 in the moming rings. In the afternoon the price recovered on bear closing to close the late Kerb at £754. Turnover: 6,100 tonses.

\*\*Cants per pound. ‡ \$M per picul. † On previous unolficial close. Morning: Three months £773, 74, 70 89, 68, 67, 65, 66, Karb: Three months £763, 60, 56, 60. Afternoon: Cash £758, three months £757, 58, 59, 60, 59, 58, 59, 60, 61. Kerb: Three months £764, 66, 65.

66, 65.

NICKEL—Fell heavity following news. that Le Nickel had lowered prices to match those charged by other producers. Forward metal opened around 23,050 and fell sharply to the day's low of £2,860 as general salling triggered atop-loss selling. Turnover: 1,464 tonnes.

2980-48-122 2865-75 -180 ng: Three manths £3,000, 2,980. Addring: Three months £2,000, 2,981, 95, 90, 50, 40, 20, 2,900, 10, 20, 30, 40, 30, 25, 55, lets-July £2,950. Kerb: Three months £2,950, 40, 40, 41, 40, 10, 2,900, 2,895, 90, 65, 80, 70, 70, 75, 70, 60, 70. SILVER

UMS-Turnover 180 (128) lots of 10,000 ozs. Morning: three months 415, 14.6, 14.8, 13.7, 13.9, 14. Kerbs: Untraded, Aftermoon: three months 409.8, 9.5, 9.3, 9.1, 9.2, 10.4, 10.5, 10.8, 10.6. Kerbs: Three months 410.8, 10.7, 10.5.

per troy ex. 

**COCOA** initially steadler levels eased sharply in profit-taking liquidations and closed it the lows of the day, reported Gill

International Cocoa Organisation (U.S. cents per pound): Daily price June 15: 153.48 (156.42). Indicator prices for June 18: 15-day sverage 157.78 (157.74): 22-day sverage 158.70

(156.27). Sales: 2,321 (2,933). COFFEE

Robustas opened sharply lower to keep in line with the New York "C" contract market, reports Drawel Burnham Lambert. Early selling which was prolonged into the alternoon session prompted an essier tone to the day's proceedings as a chert retracament became avident throughout. Values recovered slightly from the lows of the day to finsh £51.5 to £61.5 down from Friday. Yesterday's + or Business Done COFFER 

Sales: 5,109 (10,127) tots of 5 Sales: 5,105 (10,127)
tonnes,
1CS indicator prices for June 15 (U.S.
cents per pound): Other Mild Arabicas
195.17 (201.17): Robustas ICA 1976
195.00 (198.00): ICA 1988 195.50
(200.34): Colombian Mild Arabicas
200.00 (205.00): Unwashed Arabicas
200.00 (205.00): Comp. daily ICA 1968
197.70 (201.86).

GRAINS The market opened unchanged and values cosed initially on hodge salling to close 25p lower at lunch. In the attempon session values increased in good trading conditions on commercial buying interest to close steady 5p lower on November wheat to 25p up and 10-25p higher on berley, Acli reported.

BARLEY. Yesterday's + or | Testerday's + or | alone | -Business done—Wheat: Sept. 83.90-93.35. Nov. 97.35-96.90. Jun. 101.30-100.85. March 104.70-104.35, May 108.05-107.85. Sales 254. Barley: Sept. 83.30-87.45. Nov. 82.10-91.70. Jan. 96.20-95.75. March 99.50-99.10. May 103.00-102.85. Sales 318. HGCA—Location ex-farm spot prices, Feed barley: Cambridge 93.00.

The UK monetary coefficient for the week beginning June 25 is expected to decrease to 1.168, IMPORTED—Wheat: CWRS No. 1,

Silver was fixed 0.7p en ounce lower for apot delivery in the London bullion market yesterday at 402.7. U.S. equivalents of the fixing lovets were: solution and \$17.8c, up 0.1c: three-month 866.1c. up 0.1c: three-month

rest nil). Millet: 74.34, rest nil (82.77, rest nil). Grain sorghum: 38.90, rest nil (91.20, rest nil). Flour leviss: Witest or mixed wheat and rya flour: 121.97 (128.10). Rya flour: 149.17 (143.17). RUBBER

EASIER opening on the London physical market. Little interest throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 294 (305) cents a kilo (buyer, June). 85.00.65.80 66.00.68.20 85.50 68.10-66.55 68,76-88.90 88.25 66.20-88.50 68.80-67.05 66.28-68.25 68.60-88.70 69.15-89.20 88.80-88.20 Apr. Jun. 72.80-72.80 73.88-75.40 72.80-72.55 Jy. Sept. 74.85-75.10 75.80-75.85 — Cet. Dec. 77.65-77.15 77.85-77.70 Jan. Mar. 78.15-78.20 78.70-78.75 79.70-78.55

Sales: 263 (481) at 15 tonnes. Physical closing prices (buyer) were: Spot 64.25p (65,00); July 68,25p (69.00); August 68.50 (69.00). SOYABEAN MEAL

The market opened strong with gains of £2 on continuing concern over drought in various Soviet growing ereas, raports T. G. Roddick. Short covering added to firmness but late in session prices sold off on trade selling as weather reports suggested easing of drought situation. 138.00-42.5 + 2.5 189.00-44.0 + 8.0 Sales: 142 (70) lots of 100 tonnes.

SUGAR LONDON DAILY PRICE (raw sugar):
101.00 (seme) tonne cil for MayJune shipment. White sugar daily price
was £106.00 (£107.00).
Scattered sell-st-best orders caused
prices to trade initially some 50/75
points below pre-weekend levels, but
the market soon recovered. Later,
however, losses of some 100 points
quictly occurred following a statement
by the USDA that a sales policy to
release sugar forfeited to the CCC
under the 1977 and 1978 loan programme was being developed. Final
quotations were around the lows of the
day, reported C. Czarnikow.

Ang...... 105.85-05.90 107.55-07.70 107.50-05.75
Oct....... 108.90-10.80 117.95-12.08, 112.00-08.75
Dec...... 114.05-14.10 118.00-18.10 118.00-15.80
Blarch ... 119.25-13-50 121.25-21.40 121.00-19.26
May .... 122.10-22.55 125.83-23.85 123.75-22.00
Aug..... 125.35-25.55 127.55-27.50
Oct...... 128.00-28.50 150.75-50.90

Sales: 1,303 (1,274) lots of 50 tonnes.
Tate and Lyle ex-refinery price for granulated basis white sugar was 1279,50 (same) a tonne for home trade and 170.50 (same) for export.
International Sugar Agreement (U.S. cents per pound fob and stewed Caribbean port). Price for June 15: Daily price 8.12 (8.18): 15-day average 7.94 (7.92).
White Sugar-Close (in order huver.

PRICE CHANGES In tonnes unless otherwise stated.

.. .... £710 ... .... \$1.555/75 Free Mkt (es) \$1535/75 Cash w bar £885.5 \_13 £929.25 \_10.5£940.75 Cash w'par £885.5 -1.5 £929.25
5 mth ...£896.75 -7 £910
5 mth ...£880.5 -7 £910
6 troy oz. \$278.135 -0.75 \$265.875
Lead cash ...£669.5 -32 £612
5 mth ...£669.5 -20.5 £581.5
Nickel £5225.4
Freemkticif(b) £75/800c ...\$15/3655 Piatin'mtr'y oz £171 Free mkt...... £202.50 Quicksil'ver..... \$345:55 Silver troy oz ... 402.7p 3 months,.... 414.5p -0.50 £218.65 -0.7 412.9µ -1.45424.7p Tin cash .......£7,520 3 mths......£7,042.5 Tungsten......\$137.52 Wolfrm22.04cif \$146/51 Zinc cash.......£359.5 3 months.....£371.25 Producers ...;\$845 \$158.42 £374.5 Grains Barley Futures £92.15 Maize +0.5 £111.75 French No 3 Am £111f No. 1 Red Spg. No.2HardWint commodities
Cocoa ship't ... £1,758
Future Sept. £1,648
CoffeeF't'78ep£1,960.5
Cotton A'index 77.05c
Rubber kilo \$... 54.25p
Sugar (Raw)... £101.0
Wooltp's 546 ki| 276p

-21, 281p

\*Nominal, † New crop. ‡ Unquoted. p August. r July. s July-Aug. r June-July. u June. w Sept. y Nov. z Indicator. § Buyer.

LIVERPOOL—Spot and shipment sales in Liverpool amounted to 290 tonnes. increased ordering developed without

COTTON

any Immediate support coming in par-ticular growths. Many spinners tended to avoid forward commitments; with the forthcoming mill holidays in mind. **MEAT/VEGETABLES** 

MEAT COMMISSION—Average fats stock prices at representative markets on June 16. GB—Cattle 87.16p per ty liveweight (~0.62). UK—Sheep 175.4p per kg dicw (~0.52). UK—Sheep 175.4p per kg liveweight (+1.2). England and Wales—Cartle numbers down 7.8 per cent, average price 87.00p (~0.36); sheep numbers down 14.4 per cent, average price 175.3p (~9.9); pig numbers down 37.3 per cent, average price 58.7p (+1.3). Scatland—Cartle numbers down 9.3 per cent, average price 87.59p (+0.33); sheep numbers down 52.4 per cont. average price 87.59p (+0.33); sheep numbers down 52.4 per cont. average price 87.59p (+0.39); sheep numbers down 52.4 per cont. average price 87.59p (+0.39); sheep numbers down 52.4 per cont. average price 61.9p (+0.8).
SMITHFIELD — Pence per pound. Beef: Sectch killed sides 64.0 to 68.0.

AMERICAN MARKETS

A BEARISH report on the CCC altracted reavy Commission House liquidation to A peanish report on the Cock attraction to close sugar sharply lower. Cocca finished limit down on appressive Chartish selling electing Commission House stop loss selling. Procous metals closed lower on local and speculative selling. Code linished lower on mixed profit-taking, Bache reported. reported. Cocoa—July 144.20 (147.95), Sept. 147.95 (151.80), Oec. 152.20, Mar. 154.30, May 156.60, July 156.80, Sept. M.1 Coffee July 192 90 (196 74), Sept. 4.97, (198.17), Dec. 192 99, Mar. 1.00, May 189.90, July 188.25, Sept. 5.25,

191.00, May 188.90, July 188.25, Sept. 186.25, Copper—June 84.03 (33.401, July 84.10 (83.50), Anno. 34.70, Sept. 84.30, Dec. 84.50, Jan. 84.55, Mar. 34.65, May 84.75, July 84.85, Sept. 84.95, Dec. 85.00, Jan. 85.00, Mar. 85.00, Cotton—No. 2: March 60.75 (67 July 67:71-68.00 (68.65), Ocr. 66.65-60.70 (66.90), Dec. 65.75-65.20 March 65.90-65.95, May 66.35, July 67.25 bid-67.50 asked, Qct. 67.50 bid-67.51 asked, Dec. 68.00 bid-67.00 asked, Dec. 68.00 bid-67.00 asked, Dec. 97.810 (279.80), July 279.10 (280.90), Ann. 281.20, Oct. 285.80, Dec. 280.30, Feb. 294.70, Apr. 321.20, Dec. 316.70, Feb. 221.10, Apr. 325.50, Orange Juice—July 38.70 (68.30)

312.30, Dec. 316.70, Fcb. 327.10, Apr. 325.50.

Orange Juice—July 98 70 (28.20), Sept. 96.10 (97.90), Nov 96 50 (98.75), Jan. 95.50, March 96.35, May 96.95, July 97.55, Sept. 98.10, Nov. 98 40, "Platinum—June 427.00 (431.00), July 426.30 (430.00); Aug. Nil, Oct. 426 00, Jan. 427.50, Apr. 429 70, July 432.30, Oct. 434.90, Jan. 427.60, [849.5], July 482.5 (831.51, Aug. 649.9, Sopt. 857.2, Dec. 876.1, Jan. 881.7, Mar. 893.0, May 904.2, July 915.6, Sept. 937.0, Dec. 944.8, Jan. 950.5, Mar. 951.9 Handy and Hormann spot 828.50 (835.60), Dec. 948.30 (8.70), Oct. 8.50, Jan. 9.05, March 935, May 9.60, July 91.56, Sept. 935, May 9.60, July 91.56, Sept. 937.0, Dec. 949.81, July 91.56, Sept. 935, May 9.60, July 91.56, Sept. 10.08, Oct. 10.19 9 35, May 9.60, July 9.56 Sept. 10.09, Oct. 10.19. Tim—Spot 700.00 to 715.00 asked (705.00 to 715.00).

Lard—Chicago loose 26 00 (25.87). New York prime steam 27 50 traded. Live Cattle—June 71.75 (70.55). Aug. 58.55 (67.62). Oct. 68.40 Dec. 68.70.

Jan. 68.00, Fcb. 69.95. April 70.97, June 72.35. Aug. 71.25. Oct. 71.00. June 72.35. Aug. 71.25. Oct. 71.00. June 72.35. Aug. 71.25. Oct. 71.00. June 43.87. Fcb. 41.25. April 40.82° June 43.87. Fcb. 41.25. April 40.82° June 43.87. July 44.20. Sales, 6.660° 31.25. April 40.82° June 43.87. July 44.20. Sales, 6.660° 31.25. April 40.82° 31.25° July 40.82° 31. July 312. Pork Bellisse—July 42.77 (41.37), Aug. 40.92° (29.42). Fcb. 48.45. March 43.40° 40.92° (29.42). Fcb. 48.45. March 43.40° 50.92° 50. 1When-July 435-34 (442%), Sept. 442-41 (450%), Dec. 454-454%, Mar. 465, May 463, July 442. 27 50-27 55
WINNIPEG, Juno 18. \$Rye—Juno 18.
July 129 00 bid 1126 \$0 bid). Oct.
128 30 1126 00 bid). Dec. 124 70 bid,
May 124 20 bid,
\$Barley—July 100.80 (100.03 bid).
Oct. 97.50 ac/ed (97.00). Dec. 93.50
asked, March 93.50 asked, May 93.60
asked, March 93.50 asked, May 93.60
asked, \$0ats—July 88 00 bid, 95.50 asked).
Oct. 94 50 bid (95.50 asked).
Oct. 94 50 bid (95.50 bid 354 56
bid). Oct. 342 50 bid (354 56
bid). Oct. 342 50-342.50 (345 00 bid).
Nov. 129 00 bid, Dec. 122 00 bid, May
332.00 bid.
\$Wheat—SCWRS 12 5 per cent profiten content cit \$t Lawrence 231.45 ,
All cents per pound ex-warchouse. ten content of 5t Lawrence 231.55.
All cents per pound ex-warehouse unless otherwise stated. \*S per troy ounce. † Cents per troy ounce. † Cents per troy ounce. † Cents per 56-lb bushel. † Cents per 60-lb bushel. | S per slicet tan (3,000 lbs). § SCan. per metric ton, § \$ \$ per 1,000 sq (eet. † Cents per dozen.

#### EUROPEAN MARKETS

PARIS, June 18.
Sugar (FFr per 100 kg), July expired,
Aug. 351/952, Oct. 1000/1001, Nov. 995/
1005. Dec. 1030/1040, March 1065/
10075. May 1080/1095, July 1115/1125,
Aug. 1125/1159, Sales at cell 13.
BOTTERDAM, June 18.
U.S. No. 2 Dark Hard Winter wheat.
13.5 per cent, July \$197 U.S. Hard
Winter wheat ordinary, unquoted, U.S. Brazil Yellow FAQ alloat \$223.
No. 2 Red Winter wheat June \$195.
July \$193. Aug. \$194. Sept. \$195. Oct.
\$193. U.S. No. 2 Northern Spring wheat. 14 per cent, June \$195.50, July
\$193. Aug. \$194. Sept. \$197.50,
Cct. \$202, Nov. \$204.50.
Maize—U.S. No. 3 Corn Yellow affoot \$140.00, June \$142, July/Sept. \$145.50,

Sept. \$277, Sept. \$279.

INDICES

FINANCIAL TIMES June 18 June 15 M oth ago Year ago 296.66 301.77 278.43 247.57 (Base: July 1, 1952=100)

MOODY'S June 18 June 15 M'nth ago Yoar ago 1103.5 1105.4 1056.5 950.7

**DOW JONES** Dow June June Month Year Jones 16 | 15 ago ago (Average 1924-25-26=100)

REUTERS June 18 June 15 M'nth ago, Year ago 1637.C 1645.1 1579.8 1602.1 (Base: September 18, 1931 = 100)

Fearmain 5.00, Starking 5.50-6.00, Golden Deticious 6.50-8.80; New Zodiond: Cox's Orange Pippins 6.50-8.00, Sturmers 7.50, Golden Deticious 5.50, Deticious 7.00; Tasmanian: Jonathaus 6.20-6.50, Cox's Orange Pippins 6.00-7.00, Golden Deticious 4.00-4.30, Sturmer Pippins 7.20-7.30; W. Australian: Granny Smith 7.20; Victorian: 7.20; Washington: Red Deticious per bex 8.57-9.00; French: Golden Deticious 72-8.30-2.40, 84s 2.10-2.30, jumble pack per pound 0.05-0.08; Italian: Golden Deticious per pound 0.05-0.08; Italian: Golden Deticious per pound 0.05-0.08; Openacras 9.06; Rome Beauty 0.07; Dutch: Golden Deticious jumble pack 72 lb 1.30-1.40, Pears—S. African: cartons

Beutte Bose 7.00, Packham's 8.20, Nolis 7.00; Victorian: Packham's 8.20, Josephines 8.60-8.80, English Produce: Potatoes—New crap per pound 0.08, old crop per 25 in English Produce: Potatoes—New crap per pound 0.08, oid crop per 25 (a) 2,80-3,30. Lettuces—per 12 found 1.00. Cos 1.20-1.30. Mustrooms—per pound 3-20-1.30. Mustrooms—per pound 3-20-1.30. Mustrooms—per pound 3-20-2.30. Cocumbers—tray 8-78-3 1-70-2-10, prepack 2.20-2.40 Cauliflowers—123 Kent 5.00-5.50. Lincoln 3.00. Spring greens: per train kent 1.20-1.30. Asparague—per pound 0.70-1.00. Calery—boxes 12/30s 4.00-4.80. Strawbarries—por 2 to 0.35-0.40.

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# Early falls regained despite trade figure apprehensions and concern over political/inflationary trends

Account Dealing Dates 1

\*First Declara- Last Account Dealings tions Dealings Day June 4 June 14 June 15 June 26 June 18 June 28 June 29 July 10 July 2 July 12 July 13 July 24

"New time" dealings may take
place from 9.30 am two business days

A report that Saudi Arabia is ready to increase further its crude oil production on a temporary basis in a move to stabilise world oil prices, but is waiting the outcome of next new tap stocks continued at the week's OPEC conference, outset. Quotations began prompted revived firmness in generally 1 lower, but rallied on week's OPEC conference, prompted revived firmness in both equities and Government securities yesterday.

Initial concern about the economic outlook and apprehension ahead of today's aunouncement of the May trade figures imparted easiness in leading Industrials in the first hour or so of business. But, with under-lying sentiment assisted by the Saudi Arabian oil report, a useful rally ensued and final quotations were better on balance. British Funds followed a similar pattern with early losses, ranging to 1, being replaced by rises to

half-a-point at the close.

The turnround in the equity tne FT 30-share index which touched its lowest of the day at International were listed officially 11 am, showing a loss of 3.4, in London for the first time before a close of 4.4 higher on and traded at around £213.

There was a Institutional demand

large call to be made on Gilt-edged market of £1.8bn early advance in sterling, although business was regarded as light. Short-dated issues, the as light. Short-dated issues, the market in which is still technically untapped, led the movement and closed with gains extending to 3. while the best rises among the longs were established by the recently depressed high-coupon issues.

drifted lower in the absence of any buying interest and the 6 per cent 1978-81 issue closed three points down at £116, while the 21 per cent 1965-70 stock ended two points off at £79.

ONDON TRADED OPTIONS											
	, ,,	313	,				<u>!</u>				
C'rc'se orice	Closing offer	Vol.	Closing	Vol.	Closing offer	Voi.	Equity close				
1200	20		56 1	6	112		1142p				
1300	5	13	30	1	70	2	J				
160	42		i Ğl	1 2	10 l	_	1440				
200	111	2	52	_	1	-	239p				
240	i −3i	10	24	10	28	2 - 51	-				
250	3 -	10 3	13		19		",				
280	أوذ	_	1 6 1	10	11	3					
120	24		112	_	4	3 8	95p				
330	24 45 23	1 3 5	-56	10  			366p				
360	23	3	37	_	54 30	-					
420	ā	5	14	_	30	2	"				
450	iīl	_	9	_	17	2 5	1 :				
	70					_	136p				
108 138	30	9 42	33	8	18	39	100h				

Elsewhere, South African gold shares made further progress with the aid of American and Continental demand ahead of today's U.S. Treasury gold auction.

The easiness imparted late last Friday by the unexpected fresh large call to be made on the the Middle East oil report and improved further following the

Southern Rhodeslan bonds

shares before the premium eased slightly to close a net 1½ points higher at 39½ per cent. Yester-day's SE conversion factor was 0.8836 (0.8912). 0.8836 (0.8912).

A sharp contraction of business in Traded options culminated with a total of only 460 deals completed; this compares with Friday's 1,546 and last week's daily average of 1,054. Grand Met. attracted most interest, respectively.

cording 118 trades, while Cons. Gold Fields and Marks and Spencer marked 89 and 86

#### Hambros jump late

A lethargic banking sector was enlivened during late inter-office dealings by Hambros, which jumped 25 to 305p in response to eagerly-awaited preliminary results revealing a strong recovery in the second-half. Elsewhere the maintail classers waden where, the major clearers made modest progress with Lloyds. 323p, and NatWest, 353p, hardening 5 apiece. Still concerned about the trend towards dearer credit. Hire Purchases eased further. Lloyds and Scottish receded 3 to 112p xd and Wagon

Finance 2 to 39p. Christopher Moran, which edged forward a penny to 36p ahead of tomorrow's annual figures. Insurances ended lower. Royals dipped 7 to 348p and Pearl gave Electrocomponents, 450p, up 6 at 250p.

Leading Breweries traded quietly to close with modest gains. Bass hardened to 211p. while further consideration of the good interim results lifted neerings with only modest Arthur Guinness 3 to 191p. Dealings in Amalgamated Distilled ground initially. Secondary Products were suspended at 48p. issues presented a rather mixed a 1979 peak, on the news that appearance. Among the bright the company is involved in dis-spots, Hawthorn Leslie cacussions which could lead to a countered fresh support and put third party taking a stake in on 6 to 79p xd, while buying

balance. Elsewhere, both Brown and Jackson and MDW benefited 5 were marked against Babcock from weekend Press comment and Wilcox, 151p, and British the former rising 20 to 245p and Aluminium, 235p. Disappoint the latter 4 to 48p. By contrast, occasional small selling left Wilson (Connolly) 4 cheaper at Thomas Warrington came on offer and shed 5 to 55p, but Beechwood Construction, 33p, were unmoved by increased Tate and Lyle (interim results annual profits. In Cements, tomorrow) firmed 2 to 152p. Tunnel B shed 4 to 270p shead of Thursday's annual results.

little genuine investment demand and the recovery movement owed although business overall was although business overall was steadily improved to end 7 much to the absence of selling pressure together with a stock shortage.

Elsewhere, South African gold by activity in South African Gold 4 to 72p and William Ransom by activity in South African Gold 4 to 72p and William Ransom by activity in South African Gold 5 to 315n. apiece higher on balance at 360p and 261p respectively. Among other Chemicals, Auchor eased 4 to 72p and William Ransom 5 to 315p.

#### Fraser up again

Undeterred by a reported bid denial from Lonrho, House of Fraser took a further smart step forward to close the day 18 higher at 198p, after 200p, on persistent speculative buying fuelled by suggestions that fuelled by suggestions that Lonrho would soon launch a full-scale offer or sell its near-30 per cent stake in Fraser to another potential suitor; Lonrho hardened potential suitor; Lonrho hardened a penny to 76p. Elsewhere in Stores, still reflecting the proposed £4m rights issues, Combined English cheapened 2 to 121p, while W. Goodkind, at 45p, lost 5 of the recent good rise which followed news of a large shareholding changing hands. Renewed investment support lifted MFI 8 to 132p and Vantona saw buyers at 124p. up 5. Peters and Status Discount

5. Peters and Status Discount rose 3 to 45p and 65p respectively. In Shoes, Stylo were sold and closed 6 down at 13Sp. Down to 357p initially, GEC picked up well to close 5 better comment attracted buyers to Highland Electronics, which jumped 8 to 66p. United Scientific saw support at 293p, up 7, but falls of 5 were sustained by Cableform, 61p.

and

Pressac, 95p. A revival demand left John Brown 22 higher at the day's best of 511p, but other leading Engithe group. Distilleries were in a limited market litted watte-generally slightly firmer and house 15 to 205p. Occasional Highland added 4 at 110p. interest ahead of Thursday's Leading Buildings steadled interim statement left Baker after an initial downdrift and settled with little change on balance. Elsewhere, both Brown reacted 10 to 280p and losses of ment with the annual results brought a reaction of 4 to 147p

Foods ended the session on a firm note after a mark-down of a penny or so at the opening. Tate and Lyle (interim results while Cadbury Schweppes added Thursday's annual results. a penny to 60 p. Among Super-Marked a penny or so lower at markets, Press comment high-

prompted a gain of 8 to 124p in Cartiers, while a small late demand lifted William Morrison
to 158p. Awaiting tomorrow's
annual results. Tesco hardened
to 691p. Elsewhere,
Associated Biscuits firmed 3 to 73p, but United Biscuits eased that much to S4p. Hazlewoods (Proprietary) shed 5 to 54p in a

thin market.

Hotels and Caterers featured Trust Houses Forte which firmed 4 to 160p awaiting today's in-

#### Glaxo better

Early nervousness in the niscellaneous Industrial leaders ahead of today's trade figures gave way to calmer conditions later and the closing trend was steady to firm. Beecham rallied from an initial level of 523p to finish 2 better on balance at 532p, while Glaxo closed 7 to the good at 460p, after 451p. Elsewhere, secondary issues plotted an irregular course. 3 to 280p in response to Press comment. Vinten rose 5 to 148p as did Jacksons Bourne End to 160p. while Berwick Timpo edged forward a penny to 79p on an investment recommendaon balance at 367p. Elsewhere tion. Afternoon details of the in Electricals, weekend Press proposed £17m rights issue. tion. Afternoon details of the announced with the interim results left Hanson Trust a penny up at 168p, but small offerings and lack of support brought about a reaction of 5 to 145p in European Ferries. Henry Boot

lost a similar amount to 95p. Motor Distributors staged a useful rally after their post-Budget malaise, although the rises were often attributed to lack of selling rather than an influx of investment support. Heron featured, rising 5½ to 47p, while Hanger put on 7 at 78p. Gains of around 4 were seen in Lookers, 53p. Harold Perry, 146p and Wadham Stringer, 391p. Elsewhere, ERF attracted interest and improved 8 to 113p in front of today's preliminary statement.

Properties picked up after a dull start and occasionally closed with small net gains. MEPC ended 2 firmer at 156p and Land Securities finished unaktered on balance at 280p, after 278p. British Land held a Press-inspired gain of 3½ at 68½p, but Great Portland Estates, at 296p. gave back 2 of Friday's rise of 12 which followed good annual Haslemere cased 4 to 296p and Hammerson A slipped 5 to 800p. Awaiting today's pre-liminary figures. Bradford shed 10 to 390p. Elsewhere, Warnford Investments put on 15 to

possibilities among leading Oils where an early downdrift was sub-sequently checked. Net gains of a couple of pence were posted against British Petroleum, 1144p, and Shell, 362p. In secondary issues, increased support was forthcoming for Burmah, which put on 6 to 132p, but Tricentrol reversed an initial gain of 2 to close 3 cheaper on balance at 221p. Oil Exploration added 4

to 276p and Lasmo OPS firmed 5 to 740p. Support ahead of Thursday's half-time results lifted S. and W. Berisford 10 to 200p.

Shippings drifted easier in a quiet business with the excep-tion of Furness Withy, which rose 6 to 293p following KCA's reported attempt to win shareholders' support in its battle for representation on the former's

a narrowly mixed appearance apart from Tern-Consulate, 4 better at 70p, and Dawson International, 3 up at 111p, the latter following better-than-expected annual profits and a substantial increased dividend payment. In Tobaccos, Siemssen Hunter

added S in a very restricted market to close at 70p. A general lack of interest coupled with easier Far Eastern advices and adverse Press comment left Plantations lower across the board. Bertam fell 7 to 183p, while losses of 5 were seen in Muar River. 74p, London Sumatra, 300p, and Sungei Krian.

#### Golds advance

Although closing a fraction below the day's best level South African Golds registered substantial gains despite the easier bullion price in front of today's U.S. Treasury gold

auction. Utd. Gastanice TOBACCOS (1)
The Gold Mines index put on Stemssen Hunter 7.2 to 186.2 — its third successive rise — and the ex-premium index 5.0 to 164.5.

Prices opened higher, reflecting a surge of American buying late on Friday evening, and continued to move ahead owing to Continental interest. However, Among heavyweights Vazi Reefs were outstanding with a

gain of almost a point at £18 after £181. In the medium and lowerpriced issues kloof and Libanon-were particularly wanted with the former finally 40 better at 755p and the latter 54 higher at

South African Financials attracted good support. "Am-420p in a thin market. attracted good support. "Am-Quiet conditions prevailed gold" improved around a half-

FINANCIAL TIMES STOCK INDICES Government Sacs.... 72,44 72,58 72,44 78,77 74,57 74,48 478.5 474.2 488.9 501.4 503.9 482.9 186.2 179.0 177.2 174.5 200.9 20a.h Gold Mines(Ex-5 pm) 164.5 159.5 158.1 156.4 163.8 164.5 6,17 6,21 6.04 5.88 5.89 16,25 16,34 15.90 15.48 16.89 6.11 6.17 Ord. Div. Yield ..... Earnings, Yid. 🖔 (fuill) 16.08 7.87 7.82 8.04 8.27 8.42 Total bargains ....... 16,242 20,896 20,376 20,648 15,585 17,722 P/E Ratio (not) (\*). .... 2 pm 480.1. 3 pm 480.5.

2 pm 480.1. 3 pm 480.5.

Letest index 01.268 8025.

- Null=7.64.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industries.

1/7/35. Gold Mines 12/9/55. Ex 5 premium index started June, 1
SE Activity July-Dec. 1942. 10 am 476.0. 11 am 475.1. Noon 478.7. 1 pm 480.4. HIGHS AND LOWS S.E. ACTIVITY 66.03 150.4 50.63 (15.2) (28.11;47) (5/1/75) 558.5 446.1 (4.5) (12,2)

point to £20 as did "Johnnies" ing news that North Bruken at £19!. Persistent Cape buying has increased its stake in company. 27p, and Union Corporation 7 to

Gold Mines 208.4 139.9 449.3 43.5 (8/6) (17/4) (22/6/76) (28/18/71)

Gold Mines 169.5 95.2 337.1 54.5 (Ex-S pm) . (8-6) (2.11) (3:4.74) (25:8:76)

SZIP, and Union Corporation 1 to 401p.

Australians were idle reflecting the closure of overnight Sydney and Melbourne market for the Queen's birthday. BH 10 210p and Northgate South hardened 2 to 96p follow-

#### **NEW HIGHS AND LOWS FOR 1979**

following securities quoted in the Information Service yesterda new Highs and Lows for 1979. NEW RIGHS (5)

AMERICANS (1) Amal, Distilled Prods. House of Fraser INDUSTRIALS (1)

NEW LOWS (88)

Continental interest. However, towards the close and in the late after-hours trade U.S. profit-taking pared earlier gains to a taking pared earlier gains to a small extent.

Vazi

Commil. St. of Aust. Wells Farmo Committee Committ

Galliford Brimms
Heywood Wilhams
CHEMICALS (2)
Brit. Tar Prods. Thursay Bardex
SYORES (2)
Wallis Fashlon ELECTRICALS (4)

RISES AND FAL YESTERDAY

#### Dawson International The Dawson Group is a specialist manufacturer of the highest quality textile products. It is best known for its luxury knitwear but also markets raw and semi-processed material and yarns. Acquisition of John Haggas Limited completed Balance Sheet further strengthened Dividend increase of 270 per cent. Summary of Results 1979 1978 £million Sales £million Profit before Tax 96.2 82.6 Profit attributable 16.3 15.5 to shareholders Net assets employed 9.4 10.1 Earnings per share 38.0 Dividend per share 21.4p 23.2p Copies of the Annual Report, containing the statement to shareholders by the Chairman, Mr. Alan Smith, CBE, will be posted to shareholders on 25th June, 1979 and will be available after that date from the Secretary, Dawson International Limited, Kinross, KY13 TDH, Scotland.

#### **EUROBONDS**

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DEALING DATES Oil, Town and City Properties, Western Mining, Lonrho, Grand Last Deal- Declara- Settle- Metropolitan, Charterhall, Beeings ings tion ment chams, MFI, House of Fraser, Jun. 12 Jun. 25 Sep. 6 Sep. 18 Cousd. Gold Fields, Parker Jun. 26 July 9 Sep. 20 Oct. 2 Timber, LRC, Westland Alreraft, July 10 July 23 Oct. 4 Oct. 16 British Land and Homfray. No For rate indications see end of puts were reported but double Calls were dealt in Premier Gold and BOC.

**OPTIONS** 

#### ACTIVE STOCKS

	Denomina-	· of	Closing	Change	1979	1979
Stock	tion 1	narks	price (p)	on day	high	low
Grand Met. 'Ne	w' Nil/p	d.11	9pm	— 1½	16pm	9pm
GEC		10	367	. ÷ 5 ̃	<b>456</b>	311
ICI	£1	8	360	+ 7	415	346
RTZ	25p	8	292	<del>-</del> 6	362	226
BAT Defd	25p	7	242	- 1	337	241
MFI Furniture	10p	7	132	+ 8	138	54
Barclays Bank	£1	6	450	+ 2	514	360
BP	£1	6	1,144	+ 2	1,246	882
EMI	50p	6	97		144	97
GKN	£1	6	256		308	226
House of Fras	er 25p	6	. 198	+18	200	125
Marks & Spence		6	112	+ 2	134	83
Sainsbury (J.)	25p	6	330xd	+ 2	370	223
Shell Transport.		6	362	+ 2	402	278 ,
Glaxo	=~-	5	460	+ 7	600	453

#### **RECENT ISSUES**

#### **EQUITIES**

Issue Price pt	Amount Paid Up	Latest Reniino. Date	19 High	179 Low	Stock	Olosing Price pt	+ <u>o</u> r	DIV, P. Or Amount	Times	Gross	P.E. Ratio
60 §115 ## ## §3	F.P. F.P. F.P. F.P.	22/6 25/6	41 <sub>2</sub>	1371g 51 3	B & Q (Retail) 5p ††Baker (John) Fulcrum Inv. Income. Do. Capital 2½p Rock Darham Rockwelj Inti. Grp	4 - 36	+14	2.46 12.0 4.0 — — \$2.40	2.8	3,1 9,9 11.6 — 6.7	17.2 - - - - -

#### FIXED INTEREST STOCKS

Price F	Am unt Paid up Latest Renunc Date	1979 H gh   Low	Stock	Closing Price	+=
100	F.P. 27;7 NII 26;6 £10 30;8	1101 <sub>3</sub> 1071 <sub>8</sub> 2pm 14pm 12 10	How'rd Wyndh'm 92 Cnv. Cum. Rad. Prf. Kwik-Fit (Tyres) 82 Cnv. Ln, 1979/85. Marreh 17 Univ'rs'1712 Cnv.Cum.Rad. Prf Portsmouth Water 82 Rad. Prf. 1984 Slough Ests. 82 Cnv. 1991-94 York Water 122 Deb 1986	110 4pm	i

#### "RIGHTS" OFFERS

25   F.P.   29/6   15½   9pm   40pm Edwards (Louis C.)	issue Price		Lat Rent Da	inc.	19	79	Stock		+ or
126   Nii   29/6   10/8   16pm   9pm Grand Metropo Hah   14   14   14   14   14   14   14   1	_p:	₹2	9		High	Low		5 -	
20 Ni 19/6 13/7 2512 21 Weeks Associates	126 12 100 164 85 210 20 116 265 150 455 175	F.P. Nill Nill P.P. Nill P.P. Nill P.P. Nill P.P. Nill P.P. Nill P.P. P.P. Nill P.P. P.P. P.P. P.P. P.P. P.P. P.P. P	29/6 5/7 22/6 22/6 29/6 11/6 29/6 11/6 15/6 18/6 23/5 7/6	10/8 29/6 7/9 27/7 20/7 29/6 20/7 27/7 27/7 13/7 9/7 13/7	16pm 15l <sub>2</sub> 5pm 17pm 121 60pm 48l <sub>2</sub> 128 86pm 136 395 507 145 145 249 106l <sub>2</sub>	9pm 3pm 101½ 40pm 100 29 100 270 142 470 145 210 93	Grand Metropo itan Hampton Trust Intl. Timber MEPC	9pm 144 3pm 4pm 40pm 107 21pm 122 270 144 475 127 223	+1g +2 +5 -2 -2 +1 +1

#### FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

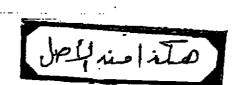
t,	!								:			•		
o e s.		EQUITY GR			M	on.,	June	18, 19	79	Fri., June 15	Thurs,, June 14	Wed., June 13	Tues, June 12	
-	Figs	& SUB-SEC ares in parentheses: stocks per se	show num	1	Index No.	Day's Change	Est Earning Yield <sup>o</sup> (Max.)	Yield %	(Net)	index No.	Index No.	Index No.	Index No.	1
n	1 2 3	CAPITAL GOODS (1 Building Materials (2 Contracting, Constru	27)		229,19	-0.1 -0.9 -0.2	17.21 17.48 24.84	5.66	7.61 7.63 5.07	247.08 231.22 362.90	246.12 230.56 362.34	253.46 239.61 383.02	262.03 247.34 400.03	1
	4 5	Electricals (14) Engineering Contrac Mechanical Engineer	tors (12)_		592,13	+0.6 0.9 +0.2	13.03 19.97 17.60	3.26 8.34	10.57 6.41 7.38	588.36 366.09 187.31	589,73 363,48 186,79	593.20 371.38 192.56	616.69 387.43 197.54	
	8	Metals and Metal Fo CONSUMER GOOD (DURABLE) (52)	rming(16) IS		167.36 230.63	-0.9 -0.1	19.29	9.31	6.50 8.79	168.84 230.97	171.17 230.34	174.70	178.91 242.62	1
	12 13 14	Lt. Electronics, Radi Household Goods (12 Motors and Distribut	o, TV (16) 2) :ors (24)		312.31 162.45 119.68	-0.7 -0.5 +1.1	11.84 17.21 21.57	3.46 7.37	11.90 - 7.79 5.68	314.46 163.19 118.36	313.66 163.42 117.87	319.24 166.45 120.44	329.72 171.49 124,82	
	21 22 23	CONSUMER GOOD (NON-DURABLE) ( Breweries (14) Wines and Spirits (6)	171)		235.24 272.24 307.74	+0.4 +0.2 +0.9	15.92 14.96 15.27	5.67	8.03 8.18 9.54	234.21 271.67 305.03	231.38 266.30	237.96 273.18	243.72 278.67	1:
-	24 25 26	Entertainment, Cate Food Manufacturing Food Retailing (15)	ring (17) (19)		307.22 215.75 293.28	+0.8 -0.3 +0.2	15.23 18.31 11.26	6.70 5.69	8.69 -6.79 11.76	304.65 216.38 292.65	298.81 305.32 215.60 290.93	307.78 317.07 219.52 297.71	316.31 320.84 225.43 302.71	1
	32 33 34	Newspapers, Publish Packaging and Paper Stores (41)	ing (12) r (15)		419,14 131.64 237.62	-1:1 -1:8 +1:0	22.67 21.59 11.88	7.37 8.47 4.30	6.26 6.01 11.31	423.84 134.07 235.16	424.75 132.19 230.45	439.97 135.26 238.82	445.63 138.54 245.18	1
	35 36 37 41	Textiles(23)Tobaccos (3)			166.64 237.69 73.84 203.98	+0.9 +0.7 +0.9 +0.4	21.22 23.89 30.64 15.58	8.66 9.20	6.15 4.81 3.91	165.13 236.11 73.15	165.75 232.55 73.27	170.84 236.61 77.09	176.37 243.88 79.37	7
! -	42 43 44	Chemicals (18) Pharmaceutical Prod Office Equipment (6)	iucts (7)		289.31 219.88 123.21	+1.4 +0.7 +0.6	17.53 12.50 16.63	6.82 5.19	7.96 6.66 9.96 7.58	203.20 285.30 218.46 122.49	292,64 286,11 219,43 121,42	208,42 292,66 224,73	213.86 299.65 231.31	3
B	45 46 49	Shipping (10)			457.62 240.61 237.42	-0.8 -0.5 +0.2	10.06 16.12 16.10	6.81 6.12	13.31 8.08 7.95	461.26 241.78 236.83	455.97 239.73 235.13	172,47 473,23 248,78 241,74	128.06 484.16 254.64 248.65	1
.	51 59 61	0ils(6)	(115)		645.41 270.46 190.55	+0.3 +0.3 -0.2	12.22	3.40	8.70 8.08	643.36 269.75 190.92	639.58 267.88 189.26	651.51 274.96 193.29		13
	62 63 64	Discount Houses (10) Hire Purchase (5)	)		236.34 243.66 161.58	+0.9 -0.7 -3.1	28.18	5.13 7.86 5.59	4.58 6.26	234.23 245.29 166.82	231.32 245.31 166.64	237.25 245.27 170.85	247.55 248.53 182.74	
	65 66 67 68	Insurance (Life) (10) Insurance (Compositu Insurance Brokers (1 Merchant Banks (14)	e) (8) M		158.81 125.20 275.07 98.03	-0.5 -1.2 -0.6 +0.9	18.26	6.66 7.54 6.96 5,49	7.84	159.68 126.73 276.86	158.13 124.11 274.52	160.48 126.85 278.17	161.45 129.05 287,19	1
.	69 70 71	Property (42)	11)		331,84 120,42 212,51	-0.2 -0.5 -0.4	3.22 15.45	2.74 7.74 5.46	47.73 8.29	97.16 332.68 120.97 213.46	97.34 333.57 120.57 214.94	99.99 340.19 123.29 219.36	192.36 347.47 124.54 222.16	Z
•	81 91 99	Mining Finance (4) Overseas Traders (20 ALL-SHARE INDEX	)		128.17 356.13 248.24	-1.2 +0.1 +0.1	15.58 15.54	6.14 7.18 5.48	7.80 8.17	129.73 355.64	128,75 355.80	131.64	137.56	1
	FIXED INTEREST PRICE				NDICES	<del></del>	T	FI)	CED INT	EREST	1	Mon., June 18	Fri.	(a)
-	8	ritish Government	Mon., June 18	Day's change	zzi za toda	y ! 1	979	1 Low 2 Coupan	•	5 years 15 years 25 years	····	10.74 11.20 11.65	10.84 11.27 11.68	1
١.		N-JE	704 20		+			4 Medium		5 years			12 84	_

81 91 99	Mining Finance (4) Overseas Traders (20 ALL-SHARE INDEX	)	1:	28.17 - 56.13 +	1.2   15.4 0.1   15.5 0.1		5.46 6.14 7.18 5.48	7.80 8.17	213.46 129.73 355.64 247.97	214.94 128.75 355.80 246.40	21936 131.64 365.33 252.60	222.16 137.56 370.67 251.19	2
	FIXED INT	EREST PI	RICE IN	DICES			•	ED INT YIELD W. Av. (	EREST IS iross Red.		Mon. June 18	Fri. Jame 15	(4)
E	British Government	Mon., June 18	Day's change	zui adj. today	xd adj. 1979 to date	1 2 3	Low Coupans	1	5 years 5 years 5 years	····	10.74 11.20 11.65	10.84 11.27 11.68	-1
1 2	Under 5 years	104.20 113.22	+0.30 +0.24	-	4.56 5.62	4 5 6	Medium Coupons	1	5 years 5 years 5 years		12.48 12.80 12.75	12.5% 12.73 12.73	1
3	Over 15 years	117.96 128.05	+0.02 +0.67	0.22 —	6,84 6.30	7 8 9	High Coupons	1 2	5 years 5 years 5 years		12.74 13.04 13.05	12.83 13.07 13.09	1
5	All stocks	111.18	+0.19	82,9	5.64	10	Irredeem	ables			11.48	1L55.	1
		· 		Mon., Jun Index   1 No.		ri. Ine IS	Thura. June 14	Wed. June 13	Tues June 12	Mon. June 11	Fri. June 8	Thurs	
15 16	20-yr. Red. Deb Investment Tru				1	9.42 3.98	1	1	59.54	1	,	1.	i i

70.04

89.52 13.51 70.04

17 Coml and Indl. Prefs. (20)



超過機

49.4 — 3.83 61.7 — 4.13 118.7 — 6.4 5.55 49.8 — 6.5 5.22 65.5 — 6.5 4.73

pate Progressive Mgmt. Co. 9
pate, EC2 01.588 6280

"-June 1.22723. 237.7m 3.55

June 1.22722 38.99 3.55

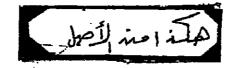
"June 5 1872 199.7 1.06

June 5 289.2 225.4 3.06

at spb. day "hote 19. ""lane 25.

und Managers (a)(c)
Mos William St., ECA. (01-623 4951
i Gent | 21.9 | 62.24 | 15.6
i Gent | 27.9 | 62.24 | 15.6
i Gent | 27.9 | 62.24 | 15.6
i Gent | 27.6 | 15.7 | 15.3
i Gent | 15.7 | 15.3
i Gent | 15.8 | 15.8 | 15.8 |
i Gent | 15.8 | 15.8 | 15.8 |
i Gent | 15.8 | 15.8 | 15.8 |
i Gent | 15.8 | 15.8 | 15.8 |
i Gent | 15.8 |
i Gent

y Fared 65.2 (alts) 96.8 (alts) 96.8 (alts) 97.1 (alts) 97.1 (alts) 97.1 (alts) 97.1 (alts) 97.5 (alts



#### AUTHORISED UNIT TRUSTS Minister Fand Managers Ltd. Minister Hsc. Arthur St. EC4. Minister Hsc. 21 122 01-623 1050 Minister Hsc. 21 1057 44.7 15.71. Exempt May 31 106.7 112.7 5.95 Statehouse Rd, Ayleshiyy (1236 5941) idi im, Tst. 103.0 108.4 133 128 ashbu 17.0 39.4 133 128 ashbu 17.0 39.4 13 4.53 ashbu 17.0 46.7 0.3 4.57 v. 134. Fd. 17.5 40.0 0.3 4.97 v. 134. Fd. 17.5 40.0 0.3 4.97 reg. 134. 882 72.0 0.7 4.64

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trest Magnet (a)
48, Hart St., Hentey on Thames 04912 6868
P petual Go. Geh. 5800 623 360
Practical Invest Co. Ltd. V (y)(c)
44, Bloomsbury Sq., WCIA 2RA 01-623 8893
Practical Line 13 1624 172.1
Accum. Units 172.67 256.7 4.17

Prugil, Portfolio Mngrs, Ltd. (a) (b) (c) Schreininger Trust Mngrs, Ltd. (a) (c) (g) Thebrore Bars, ECIN 2NH. (1-405 9222) 140, South Street, Dorking (1306) 86-441 39 Am. Exempt (21.6 22.9 4.45 in Am. Smaller Co. (21.5 31.1 am. 12.6 1.1 am. 12.6 am. 12.6 am. Smaller Co. (21.5 31.1 am. 12.6 1.1 am. 12.6 am. 12. ### 1975 1981 - 10.

\*\*\*THE PROPERTY OF THE PROPERTY OF THE A COLUMN STATE OF TH Public Trustee, Kingsway, W.2. 01-405 4300 Mutual Unit Trust Managers (2Mg)
Capital June 7 1129 1145 15 437 15 Capital Ave., EC2R 780, 01-606 4803
Grass Inc. June 7 15.9 82.7 82.8 Mutual Sec. Plus 153,9 57.44 +0.3 6.47
What I was a mode of the first of | 10.2 | 10.3 | 12.25 | 10.3 | 12.25 | 10.3 | 12.25 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 48. Gracchard S., ECS 28th. 01-623 4200
N.P.I. Gill In Te. E51 57.6-23 4200
N.P.I. Gill In Te. E51 57.4-3 4.75
(Accum, Units) 69.8 74.3 4.75
NPI O'see. Trest 1224 135.9 247
(Accum, Units) 139.1 137.2 2.40
"Priets on Jone 6. Next dealing June 20.

Gartmore Fend Managers (a)(g)

Oakley Ase, ECA 88P.( a)(g)

Deallog only: 0,423 5766/5905

American Tst. 273 5766/5905

American Tst. 274 5766/5905

American Tst. 274 5766/5905

American Tst. 275 5766/5905

American Tst Pearl Interest Massagers Ltd. (a)(g)(z)
252, High Hollson, WCLV 7EB. 02-405 8441,
Pearl Growth Fd. 25-3
Accumu Lorists 21.0
Pearl Inc. 24.6
Pearl Inc. 24.6
Pearl Lorist 25.5
Accumu Lor

Lieyds Life Assurance—contd.

0. 5 Men June 14 ... 1677 176.65

-2.2 12.93 0. 5 Men June 14 ... 1677 176.65

-0.5 8.53 Pens. Pro 1, 128.2 135.0

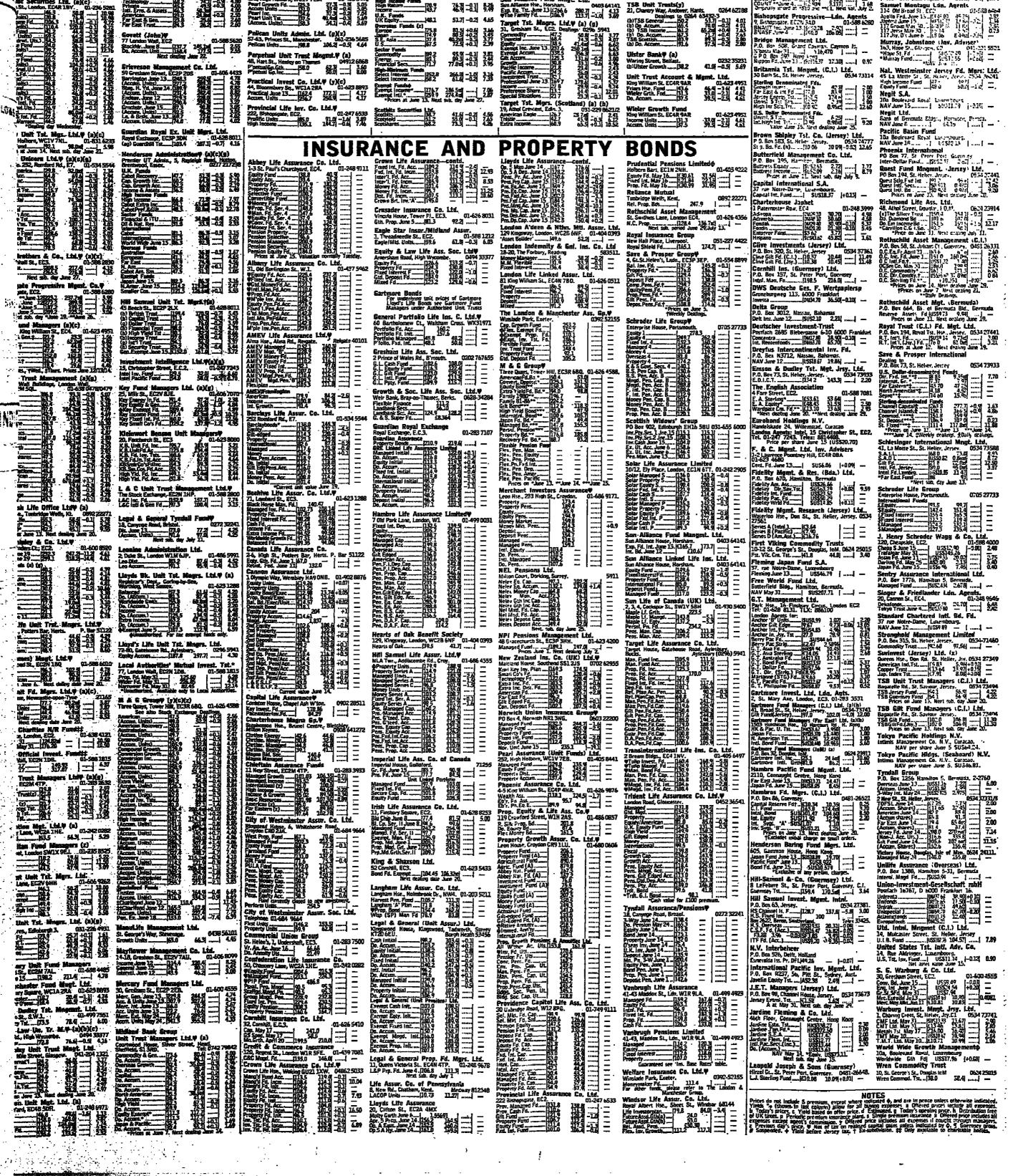
London Indemnity & Sni. Ins. Co. Ltd 18-20, The Forbury, Reading 583511. Money Manager 35.5 38.2 0.2 — M.M. Flerible 31.9 37.7 0.1 — Fixed Interest 38.4 38.4 0.1 —

London A'deen & Nthm. Mtl. Assur. Ltd. 129 Kingsway, London. WC25 6NF. 01-404 0393 'Asset Builder' 49.6 52.2 ..... 

#### OFFSHORE AND **OVERSEAS FUNDS**

Quest Intl. Bit. [53 Quick 1875] [9.20]
Prices on June 13. Next sealing Jane 1, 9.20]
Richmond Life Ass. Ltd.

9 48. Athol Street, Dourkin [10.8] [9.21] [9.2]
Da Damond Bit. [10.8] [9.2] [9.2] [9.2]
Da Damond Bit. [10.8] [9.2] [9.2] [9.2]
Da Eminteen Bit. [15.5] [9.2] [9.2] [9.2]
Prote on June 1 [9.3] [9.2] [9.2] [9.2] [9.2]
Prote on June 1] [9.2 



| Deposit | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 100.9 | 10 



BRIMS & C NEWCASTLE U			High Law	I	1 £	! -
	TELEX 5377	34	23 22 40 37 98 98	Antofagasta Riy Do. 5pc Pref		-i <sub>2</sub>
			37   1-18	Chilean Mixed Chinese 41-ac 1898	75	
BRITISH	FIINDS		35 26 20 13 430 415 420 415	Do. 5pc 1912 Do. 5pc 1925 Boxe German Yng. 41 <sub>2</sub> pc	26 13 420	
1979	Price  + or   Y	ield 	<b>第</b>	Greek 7pc Ass Do opc 28 Stab. Ass.	. 46	
High Low Stock			1 5 1 38	Do 4pc Mixed Ass	52	
"Shorts" (Lives up	to Five Yea 9731-2[3.68	1 13.71	68 68 901 <sub>2</sub> 781 <sub>2</sub>	(Iceland 61-pc *83-88 (Ireland 73-pc *81-83)	! 821-x≥	
991.   953. lElectric 43.cc 74.79	07₹   ±15   & 14	12.68	390 265	Lanan 4nc '10 Ass	265	
971- 1 961- IFIectoic 31-00 76-79 L	991 <sub>8</sub> 10.59 965 <sub>8</sub> +1 <sub>8</sub> 3.62 977 <sub>3</sub> ±1 <sub>5</sub> 9.24	12,10 12,84	1.23 片葉	Do 600 '83-88	160	
99% 95% (Treasury 91.pc '80#	9/4/+4/9/9./0	12,72	750 750 5941, 5941 <sub>2</sub>	S.G.1.6 <sup>1</sup> 20c 1980 Turin 9pc 1991	750 \$941 <sub>2</sub> DM91	
1035 992 Exchang 54pt 78-80;	1003 <sub>4</sub>  + 1 <sub>6</sub>   12.95	9.55 12.63	DM91DM91 97 95	S.G.1. 61-pc 1980 Turin 9pc 1991 — Turin 61-pc 1984. Uruguay 31-pc — S. & DM prices	DM91 97	
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FT SH	ARE INFOR	MATION	SERVICE	· · · · · · · · · · · · · · · · · · ·
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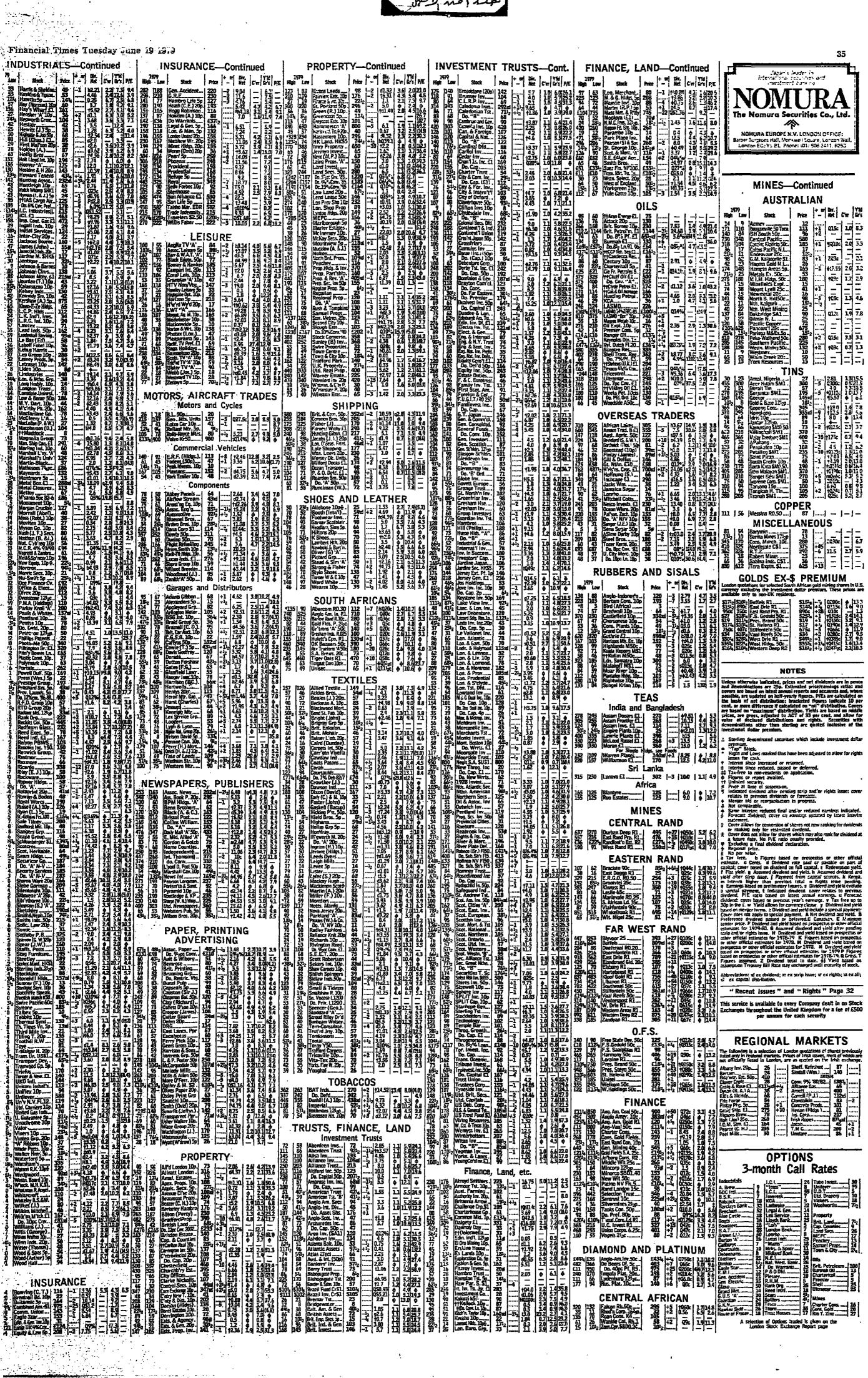
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# FINANCIALTIMES

Tuesday June 19 1979

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# Hua revises expansion plans

BY JOHN HOFFMANN IN PEKING

CHAIRMAN HUA GUOFENG, reconstruct, consolidate and the Chinese leader, admitted improve the national economy last night that China had been to achieve sustained developimprudent in mapping out its ment targets for industrial develop-

as reporting to the National People's Congress on the work of the

In a speech designed to reassure both the Chinese public and foreign investors that the nation's modernisation plans would go ahead—although with a revised emphasis—Chairman Hua said China had not had such a "good and flourishing economic situation as a whole

in the past 10 years and more." In the next three years China

Economic recovery in the past two years had exceeded expectations but China still suffered from the "10-year sabotage by Lin Biao and the Gang of Four," Chairman Hua said. He was referring to the disruption between 1966 and 1976 when Maoist radicals took charge of political and economic planning and threw the country into chaos.

"We had not taken this into full account and some of the measures we adopted were not prudent enough," he told the

the new Outlining

Premier Hua gave first place to achieving a "fair relationship" between the growth of agricultural production and the growth of population and industry.

Light industry would be developed more rapidly than heavy industry, so that exports would increase and more consumer goods be made available as domestic purchasing power

He referred to difficulties in meeting demands for fuel, power, transport and communishould be improved by increasing production and practising economy, he said. Manufacturing industries would put their emphasis on turning out better quality products and more

Capital construction would be curtailed, he said, forecasting tight central control on development projects. He called on construction industries to improve the quality of projects, reduce costs and shorten the building

China would continue to increase the average income of collectivised peasants and the earnings of factory and office workers as production grew. China would continue a policy of importing up-to-date tech-nologies and making use of foreign funds.

The Government would take energetic steps to develop foreign trade, expand economic co-operation and "adopt various reasonable practices now being

used internationally to absorb foreign funds."

Chairman Hua gave statistics in support of his claim that China's economy was flourish-

Last year's total grain output, he said, was 304.75m tonnes, a per cent increase over 1977. Steel output was 31.78m tonnes, a 55.3 per cent increase in two years.

Coal production for 1978 was tonnes and oil output

Gross industrial output in 1978 increased by 13.5 per cent over 1977 and national revenue by 44.4 per cent. Retail sales were up by 16 per cent and total import-export volume rose

# Saudis may raise oil output by 1m barrels a day

SAUDI ARABIA may be poised barrels a day from its ceiling of to boost its oil production 8.5m barrels to meet part of temporarily from July 1 by 1m the oil shortage created by the barrels a day. Iran's oil produc- decline in Iran's output. tion is reported also to have fallen below the levels normally claimed by the Nattional Iranian Oil Company by a similar

Both reports—published in specialist oil journals—appear a week before the Organisation of Petroleum Exporting Countries eets in Geneva next Tuesday. If the reports are correct, Saudi Arabia will probably be unable to prevent the more hawkish members of OPEC from pushing price increases on top of the present surcharges.

The authoritative Nicosiabased Middle East Economic Survey said that the Saudis were awaiting the outcome of the

largest producer. It raised its production is down in Iran. It ation of Energy Economists production levels during the says that because of action by earlier this month in Wash-first quarter of this year by 1m revolutionary workers' committington.

London port

THE PORT of London Authority

and the Government are to con-

sider a new plan to relieve the

authority of the financial drain

of its loss-making upper docks and at the same time boost dock-

which would involve passing ownership of the upper docks

to a different authority so that

the dock area could be gradually

If accepted, the scheme would avoid the Government's having

chance to put its finances on

have support within the PLA, the Greater London Council and

the Docklands Joint Committee, which represents local authori-

ties in the East London port

(about £125m) over the next year.

This follows an arrangement

made earlier this year with a group of international banks

for a 10-year standby credit line

worth \$250m, to back up a commercial paper issue.

The sale, which began on June 4, raised \$30m in its first

week. The paper is offering

interest rates varying between 9.55 and 9.75 per cent, with

maturities ranging between seven days and 270 days.

a pay claim.

More than 100 workers represented by the Labour Party's

staff joint trade union commit-tiators.

The plan is understood to

a sound basis.

few months.

closures and offer the PLA a proposal.

plan to ease

cash drain

By lan Hargreaves

lands redevelopment.

The level of the latest pro-. almost certainly leaked to the magazine—is twice that recently mentioned by officials, and is clearly intended as a hint to other OPEC members of the policies it will try to pursue

While almost all members have been competing in the level of their surcharges on oil, Saudi Arabia has been pressing for a unified price.

would go some way to reducing even so an extra 1m barrels a Petroleos de Venezuela.
day would only meet about half "At present, our clients, both the global shortfall.

corporate plan, which is due to

be presented to the Government

This plan will repeat the

familiar case for fewer jobs in

large slice of the authority's

fundamental change in the last

18 months has been the PLA's

insistence that it must close at

The scheme described

Post Office to raise \$250m

Ministers is for the PLA's

Although the Post Office's sale is being conducted at a

time when it is suffering a loss

of revenue of around £500m resulting from a hold-up in tele-

phone billing due to industrial

action by computer operators, the corporation stressed that

the two were not connected.

began some six months ago, when the Post Office's credit rating was assessed. Earlier this

Labour Party staff in dispute

THE LABOUR PARTY was con- a one-day strike on June 27 staff morale and been to the fronted with an embarrassing when members of the NEC detriment of the service they industrial dispute yesterday when its full-time white-collar staff decided to take action over the trade union committee, said

The group is claiming a 28

tee will ban overtime and refuse "The fact that the Labour levels and to make them comto service the National Execu-Party has consistently refused parable to those paid in other

tive Committee and other party to pay decent wages to all its organisations doing similar bodies. They are also planning full-time staff has undermined work.

Negotiations for the venture

by the end of this month.

Ministers have already been the port and for a capital told informally of the idea, reconstruction to write-off a

avoid the Government's having least one of the up-river dock make to take an early decision over complexes and the unions' PLA the sensitive issue of dock unbending resistance to this summ

THE POST OFFICE has have surpluses—is an unusual turned to the booming New one for a UK nationalised York commercial paper market industry, although British Gas

to raise an expected \$250m entered the market late last

The venture into the New year, it was given the highest York commercial paper market possible rating, since its transactions were to be backed by

funds borrow from others which the UK Treasury.

£100m debts.

tees, production is running at barrels a day, about 1m barrels below the level claimed

The reduction reportedly took workers wanted to produce at a lower rate, and because NIOC's management has been unable to persuade these committees to approve the recruitment of foreigners, who are needed to solve technical troubles in the oil fields.

Kim Fuad writes from Caracas: Present developments in oil prices are out of the hands of OPEC countries, according to The Saudi production increase Dr. Alirio Parra, international director marketing Venezuela's state oil monopoly,

state and private companies; are London Oil Reports, quoting trying to obtain all the oil availreports in Iraq, appears to con-firm accounts from the area that he told the Interntional Associ-

running down the 3,500 jobs in

the docks gradually, as new

industry and commerce was established.

of the plan have not yet been

made, but the upper docks were

responsible for most of the £17.6m lost by the PLA in 1978.

Mr. Norman Fowler, Trans-

port Minister, is expected to

make a statement about the

summer recess, although this

may be confined to short-term

Alongside its corporate plan,

The New York market is also

which will then issue sterling

The corporation estimates it will save between £1 and £2m

by borrowing in this way com-pared with the interest it would

have paid on borrowing from

the National Loans Fund—the Government fund from which

The corporation said last night that it was not intent on

industries normally

to the Post Office.

a rapid sale,

the staff had been forced to take per cent increase on basic industrial action because of the "intransigence" of NEC negotiators.

"The fact that the Labour levels and to make them com-

financial and labour matters.

before Parliament's

Detailed studies on the cost

It could form an important marketing staff, would then

The great stumbling block to This loss is likely to increase

upper docks, involving almost the PLA is seeking from its

1,400 acres, to be transferred to trade unions agreement to a

a new authority, possibly a second short-term manpower re-vamped. Docklands Joint reduction plan. A similar plan Committee. agreed last summer has

strengthened its executive and jobs on the upper river.

This committee, which has resulted in a reduction of 1,200

again this year.

plank in the PLA's five-year work on a redevelopment plan,

# Lloyd's voting practice attacked

BY IOHN MOORE

Lloyd's insurance brokers has criticised "undemocratic" voting procedures at Lloyd's, and said that informal arrangements for the market's internal arbitration and investigations unsatisfactory.

The criticisms are in an 11page private letter to a Lloyd's inquiry team headed by Sir Henry Fisher which is examining self-regulation within the market. In it the Lloyd's Insurance Brokers' Committee, effectively a trade association for Lloyd's brokers, and part of the Insurance Brokers' Association, says that while underwriting members of Lloyd's have the right to vote "there appears to be no duty, denied." overt or implied, upon the Com-

'It seems that meetings and

COMMITTEE representing elections take place with members unaware of them. Insufficient attention appears to be paid to ensuring " that all members "are aware of and

able to exercise their full democratic rights." On settlement of disputes the brokers claim that "the current informal arrangements for internal arbitrations and investi-

gations at Lloyd's are unsatis-" Ѕоше procedures which are known understood and accepted throughout. should be established.

Nevertheless, the ultimate right of recourse to law should not (and indeed, cannot) be

The committee dismisses the mittee of Lloyd's or the under-idea that a professional chair-writing agents," who manage man or chief executive should the affairs of the members of be appointed to run the Lloyd's Lloyd's. "to see that they are market, but says that "a general properly appraised of their up-grading of senior executives" in the Corporation of Lloyd's

# Discount warehouse faces equality action

BY PAULINE CLARK, LABOUR STAFF

house employer is to become the first target of legal action by the Equal Opportunities. Commission because of alleged sex discrimination in advertising since the Sex Discrimination Act came into force in 1975.

Mr. Michael Robertson, chairman of Trago Mills and associated West Country shopassociated west county snop-ping centres, described the action as "an infringement of liberty." He said he would "fight to the last" before an industrial tribunal.

The commision is seeking an order under sections 38 and 72 of the Act that Mr. Robertson must treat both sexes equally at his stores near Liskeard, Cornwall and Newton Abbot,

The action against Mr. Robertson, who pays women £3 a day less than men, who are on £14 a day, is based on advertisebetween December and April in three West country newspapers. After receiving notification of the intended action, Mr. Robertson said: "It's all totally daft.

It's time someone took a stand

against this ridiculous idea that

women can do all work that men He said he would be attacked for being "an ogre" if he started asking his female staff to carry rolls of carpets or boxes weighing a hundredweight

or more. There were jobs that only men could do and it would be wrong to suggest otherwise in

advertisements for staff. He .. claimed there was no question of his underpaying women who worked for him since he was paying above the going rate for shop workers in the West country.

Continued from Page 1

# Arms treaty signed

differences between the two countries over the Middle East, Africa, South-East, Asia and human rights—were parrowed.

The New York market is also believed to have been impressed by the fact that it was one of the few postal authorities in the world which showed a profit on its operations.

The dollars raised by the sale will be passed via the Federal Reserve Bank to the Treasury, which will then issue sterling But U.S. officials said they considered it more important for the longer-term that it had been agreed to hold more frequent bilateral discussions in future. No firm date for another summit has been set but both sides agreed that the next one should take place preferably not in an atmosphere of crisis or merely formally to sign a major

It also emerged yesterday that the SALT process, apparently wrapped up in Saturday's bilateral session, was not quite as smooth as had been expected. Mr. Carter was obliged to go back to Mr. Brezhnev on Sunday for additional clarification of

the Soviet Union's intention not to increase the rate of production of its controversial Back-fire bomber from the present 30 aircraft a year. The Backfire bomber is excluded from the treaty itself.

This was resolved by an amended and expanded Soviet statement on the Backfire accompanying the treaty and emphasising the Soviet commit-ment not to increase production. But Mr. Ralph Earle, the chief U.S. SALT negotiator, admitted later that differences still remain over the range of the Backfire, which the Soviet Union contends is not intercontinental. In the documents, the U.S. made clear that any significant

upgrading of the capabilities of the Soviet aircraft would be tantamount to a violattion of the

SALT treaty itself.
The Backfire issue is certain to be a major element in the Senate debate, and the revela-tion here of last-minute manoeuvring by the Administration may not strengthen its arguments for SALT with the Congress. But in a clear attempt to capitalise on the achievements of the Vienna summit, Mr. Carter was due to address a joint session of Congress last night shortly after his return to Washington.

The concluding signing ceremonies were preceded by the only lengthy head-to-head negotiations between Mr. Carter and Mr. Brezhnev, accompanied only by their interpreters.

The broad parameters of the SALT documents have been known for some time. They consist of a 2 page treaty, a two-

page accompanying protocol principally concerned with the development of the Cruise missile and expiring in 1981, 43 pages of explanatory agreed statements and common understandings known as ASCUS, three more pages of data material, and the Backfire letter. All are of a highly technical nature.

nical nature.

They cover both qualitative and quantitative, though not large, restrictions on the strategic weaponry of both nations, and, in the case of the Soviet Union, will involve some actual destruction of nuclear missiles and launchers.

their breath bankers and brokers who make up the rights issue market. The Index rose 4.4 to 482.9

surge in the rate of calls by

companies for new money, which began just before the election and has continued ever

since, has coincided with a sharp fall in the stock market.

A fall of about 13 per cent in the All-Share Index from its

post election peak has left a

number of issues dangerously

exposed.
Yesterday saw a successful

Anglo-Irish rescue act on behalf of the near £12m rights issue

of the hear first lights issue that the hear first launched by Jefferson Smurfit on May 8. This fell foul not only of the market slide but also of the Irish postal strike

Schroders seemed to

135p against an issue price of

138p. The task is not as hope-less as the 3p margin might suggest, for the new shares are

free of 2 per cent stamp duty,

and the equity market was pick-

The issue closed yesterday,

and having counted—but not yet published—the results the

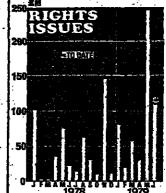
sponsors have a couple of days

Pitman-to sound out the sub

ing up late yesterday.

THE LEX COLUMN

Underwriters hold



and confusion among British shareholders over the need to subscribe in Irish currency. In these tight conditions the "stick" with some 2.4m shares left unapplied for, the underwriters were not called on. Around 1.4m shares were placed. underwriters are likely to try to get the discounts widened in their favour when it comes to future rights issues. There has already been some sign of a move in this direction. On the yesterday in London, the rest other hand, the post-election, pre-Budget period was always likely to present above-average risks and underwriters are facing an even tougher task last night to salvage the £59m Thomas Tilling issue, with the shares down from 163p ahead of the May 22 announcement to actually safer now that the market has fallen to much lower

There is certainly no indication that underwriters are going to withdraw their support, although some institutions have been growing restless at the number of companies which have recently raised money for plainly opportunistic reasons. The prospect is that the flow of calls by companies will continue. the motivation being more and more to gain relief against the coming credit squeeze.

#### in which to try to place the surplus shares. When this happens it is the job of the brokers—in this case Rowe and Hanson Trust

Companies are usually willing underwriters and other to pay out hefty fees to rights potential buyers to assess the demand. Their problem is that Trust yesterday provided a rare very often the underwriters are reminder that there is another, the same big funds which failed cheaper way. The company is to take up the rights issue, and are prepared to get the shares as underwriters instead. In raising £17m through a one-fortwo issue which features such a deep discount—the price is 50p against a market price of 168p such circumstances they are un-likely to want to pay a premium. that no conceivable market There is a good reason why the sponsors should want to slide could make the issue fail. the sponsors should want to avoid calling on the under-writers if at all possible, because it can lead to a poor aftermarket for many months when too many of the wrong funds are weak believe of the sponsors. There is a ferceast dividend rise of effectively around 30 per cent, taking the ex-rights yield to just over 8 per cent. On the other hand, the interim profits performance is rather of the wrong funds are weak holders of the shares. The bad reason is that those concerned of the dollar holding back preare frightened of getting egg on tax growth to just ander a tenth neir faces. In fact, there need at £12.5m be no stigma because under-

The group's industrial services writers are paid their money to operations have shown good provide protection against pre-cisely the kind of market shakegrowth, with Interstate included for a full six months. But the that it is of the order of agriproducts side had a harder per share.

time, with sales of UK fact machinery well down, while, it the U.S. Hygrade was shart; hogs. But the position head-now easing, and Seacoast it enjoyed record fish central Group profits should continue to grow modestly for the fi year, but the outstanding qu tions about acquisition poli and any response to exchan control relaxations are ranswered by the rights issue

#### Hambros

Merchant banking shathave had a good run this ye and Hambros has been the s performer among the large accepting houses. Since start of the year its share pr has risen by two-thirds to 30 —where it yields 5.1 per ce This compares with a 25 cent rise in the FT merch bank index and a 13 per c rise in the FT All-share ind To a large extent this I formance has had a lot to with the recovery in shipping market which eased the stock market's conc about the group's heavy, but quantified, involvement with Norwegian shipping indus In 1977-78 Hambros made

stantial specific provis against its Norwegian loans it now looks as if these will more than sufficient to cover exposure—generally estimate to be of the order of £40m.£2 For 1978/79 Hambros reports attributable or before investment gains extraordinary items up by per cent to £7.1m. Admitte there is a windfall £1m er tional credit within this fit tional credit water uses up but even allowing for the rise of over a lifth is a rea abiy good performs especially since the disciprofits of the banking marked time at £1.4m. Fe

marked time at £1.4m. For this figure in perspective, side of the business r. £5.4m in 1974/75. Clark Hambros is retaining large disclosed, banking professionates its hidden reserved. fortunately, it can rely o non-banking operations to a duce the visible profit grain addition, its investment associated companies and Hambro Life and Bert Hambro Property special Hambro Property providence of dividend his dividend. Without these in ments its performance look far less spectacolar

continuing fascination Hambros lies in its under asset value. Laing and Crt shank, the stockbrokers, rec

# Weather

out that has just taken place.

UK TODAY

MAINLY dry with sunny or bright periods. A little rain in N. Scotland.

London S., E., and Cent. N. England, Midlands, S. Wales, Channel Is. Dry, sunny periods. Max. 24C

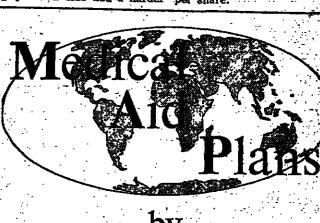
N.W. and N.E. England, N. Wales, Isle of Man, Borders, S.W. Scotland Sunny periods, becoming cloudy. Max. 21C (70F).

K. Scotland. Glasgow area. Mainly dry, bright periods. Max. 19C (66F).

Rest of Scotland, N. Ireland Cloudy, some bright intervals. A little rain in places. Max. 170

Outlook: Mostly dry with sunny periods.

WORLDWIDE



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